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RAILWAY AGE

JULY 23, 1949

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10% of the Locomotives...
60% of the work

As of March, 1949, 10 per cent of the Southern Railway System's freight locomotives were Diesels — all General Motors units. They are handling 60 per cent of the gross ton-miles.

REMARKABLE?

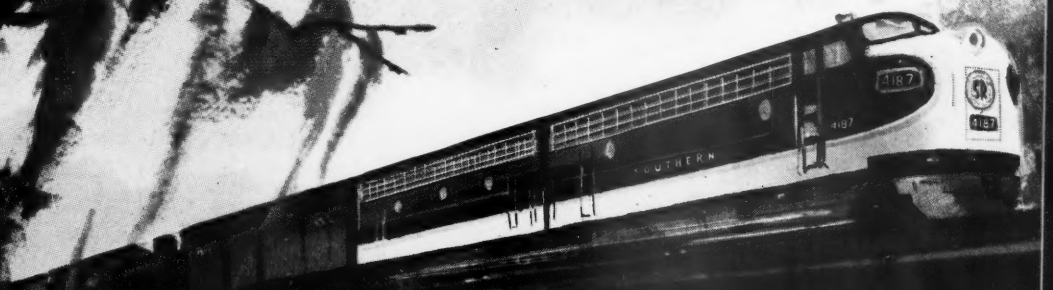
Yes, but not unusual with General Motors Diesels.

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Home of the Diesel Locomotive

GENERAL MOTORS
LOCOMOTIVES



ASSOCIATION OF AMERICAN RAILROADS
TRANSPORTATION BUILDING
WASHINGTON 6, D. C.

WILLIAM T. FARICY
PRESIDENT

July 6, 1949

To the PRESS and RADIO:

Subject: RAILROAD SAFETY IS NO ACCIDENT!

Thirty years ago, during the first World War, a passenger could ride the trains an average of 110 million miles without fatal accident.

During the second World War, his chances of fatal accident were reduced to one in 475 million miles.

In the year 1948, the chances were only one in 997 million miles -- and in the first half of 1949, only one in about 1,300 million miles!

Between the time of the first and second World Wars, the chances of fatal accident to a man working on the railroad were more than cut in half -- and since that time, have been virtually cut in half again. The year 1948 was the safest for railroad employees ever recorded -- and 1949, so far, has been better than 1948.

This excellent and constantly improving record of safety on the railroads is not the result of the adoption of any particular device or devices. It is the result of a long-time program carried out on a broad front -- by railroads and by railroad men.

Partly it is due to improved plant and equipment. During these years the railroads have invested each year, on the average, more than 500 million dollars in improved facilities -- and virtually every dollar of that expenditure has worked not only to increase efficiency but also to enhance safety.

But spending money on safety is only part of the story. Railroads steadily have sought safety as well as efficiency in establishing and enforcing their operating rules -- for efficiency and safety go forward together.

And railroads and railroad men, working together, have carried on a continuous program of safety education recognizing that the greatest of all safety devices is a safe man.

No, there is no accident about the railroad safety record. It is the result of decades of investment in safer facilities, of study of safer methods, of attention to safety education and enforcement of rules -- all to the end that American railroads shall continue to be the safest of all forms of transportation.

Sincerely yours,

William T. Faricy

RAILWAY AGE

With which are incorporated the Railway Review, the Railway Gazette, and the Railway-Age Gazette. Name Registered in U. S. Patent Office and Trade Marks Office in Canada.

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Published each Saturday by the Simmons-Boardman Publishing Corporation, Orange, Conn., with Editorial and Executive Offices at 30 Church Street, New York 7, N. Y., and 79 West Monroe Street, Chicago 3, Ill.

Washington 4, D. C.: 1081 National Press Building—Cleveland 13: Terminal Tower—Seattle 1: 1038 Henry Building—San Francisco 4: 300 Montgomery Street, Rooms 805-806—Los Angeles 14: 530 West 6th Street—Dallas 4: 2909 Maple Avenue.

Samuel O. Dunn, Chairman. James G. Lyne, President. S. Wayne Hickey, C. Miles Burpee, H. H. Melville, C. W. Merriken, John R. Thompson, F. C. Koch, R. E. Thayer, H. E. McCandless, Vice-Presidents. J. S. Crane, Vice-President and Secretary. J. T. DeMott, Treasurer. Ralph E. Westerman, Arthur J. McGinnis, Assistant Treasurers.

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Subscriptions, including 52 regular weekly issues, and special daily edi-

tions published from time to time in New York or in places other than New York, payable in advance and postage free—United States, U. S. possessions and Canada: 1 year, \$6.00; 2 years, \$10.00; other countries not including daily editions in Western Hemisphere: 1 year, \$10.00; 2 years, \$16.00; other countries: 1 year, \$15.00; 2 years, \$25.00. Single copies, 50 cents each, except special issues.

H. E. McCandless, Circulation Manager, 30 Church Street, New York 7.

Railway Age is a member of Associated Business Papers (A. B. P.) and Audit Bureau of Circulation (A. B. C.) and is indexed by the Industrial Arts Index and by the Engineering Index Service.

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cut out en route, those operations often can be performed quicker. Such co-ordination easily can be the difference between "late-arrival" and "on-time" railroading!

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WEEK AT A GLANCE

"WE DID THIS OURSELVES": Out in Sioux City, Iowa, the Chicago, Milwaukee, St. Paul & Pacific has opened a completely remodelled passenger station. At its dedication, C. H. Buford, Milwaukee president, took occasion to point out, as told in the News department, that the building was paid for out of railroad funds taken in "over the counter" for transporting passengers and freight. If the railroads followed the example of some of their competitors, Sioux City would have had no new station unless the taxpayers shelled out for it.

HEARINGS CONTINUE: As reported in our News pages, the Brotherhood of Locomotive Firemen & Enginemen is still presenting to a fact-finding board testimony which it evidently hopes will convince the board that Diesel-locomotive crews need another man to keep them from getting lonesome. And across the river in Brooklyn, the I.C.C., in hearings which lasted much longer than originally expected, took additional evidence as to the Eastern railroads' need for a passenger-fare increase.

WHY WORRY ABOUT THE RAILROADS? There's reason enough, of course, but there's just as much reason to worry about the future of the whole American economy, which is in danger for the same reason that the railroads are in danger. Some of the causes of this danger, and the *only* remedy for it—political action—are discussed in our leading editorial.

NEW TRAINS FOR I. T.: If passenger business isn't all it might be, railroad failure to provide good equipment doesn't seem to be to blame, for great numbers of new passenger cars have been put into service in all parts of the country since the war. Some of the latest, three complete, ultra-modern all-electric trains, recently installed by the Illinois Terminal, are described on page 40. They were built by the St. Louis Car Company and are powered by General Electric equipment.

DRAMATIC "COME-BACK": Beginning on page 28 is a review of the recent operating and financial history of the Norfolk Southern—five times in bankruptcy and long considered a "weak" railroad, but now on a regular quarterly dividend basis. The change has been brought about by a combination of boldness and prudence; by "dynamic retirement," debt reduction, control of expenses and Dieselization.

BODY BLOW: Everyone connected with the industry knows that railroad operating expenses—especially wages—have increased tremendously in the past few years. But it's not always easy to realize the impact on a single company of a situation which is all too frequently expressed in in-

dustry-wide totals or in national averages. On page 33, therefore, is an analysis of what recent wage increases have done to The Pullman Company. As wages have gone up, the number of cars operated—and the amount of public service rendered—have gone down, all in accord with the workings of the inexorable laws of economics—laws which seem today to be little understood and less heeded.

SOCIAL INSURANCE FOR RAILROAD EMPLOYEES: Beginning on page 34 is a review of the present scope and current cost of "the most comprehensive system of social insurance in the United States"—that in force for the benefit of railroad employees.

FOR BETTER TRACK: A little knowledge may be dangerous, as the old proverb says, but a lot of detailed, precise knowledge, especially about anything so important as its track, can be most helpful to an up-and-coming railroad. Such a railroad—the Louisville & Nashville—finds it worthwhile to examine, twice each year, all of its principal tracks, using for the purpose a special testing and recording car built by the Chesapeake & Ohio, but operated on a few other roads by Sperry Rail Service. For details of the car and the work, see page 36.

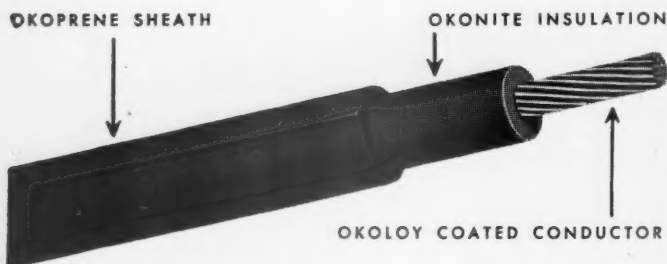
THE MOTHER OF INVENTION: Faced with the necessity of finding suitable cars for transportation of dry granular materials the Barrett Division of Allied Chemical & Dye Corp. solved the problem by converting 30 old tank cars into 50-ton hopper cars. How the work was done, by Barrett and the Thrall Car Manufacturing Company is told, with pictures of the original and converted cars, on page 24.

SMOKE GETS IN YOUR EYES: The advent of Diesel-electric locomotives is alleviating to some extent the railroads' smoke control problem. But there'll be a lot of steam locomotives in active service for many years to come and so smoke regulation will continue to require attention—both as a matter of fuel economy and of good public relations. What can be accomplished by a definite program of cooperation between a city and the railroads serving it is outlined on page 26 by Harry C. Ballman, smoke regulation engineer of Columbus, Ohio.

NEW HEAD FOR B. OF R. T.: Alexander F. Whitney, for more than a fifth of a century president of the Brotherhood of Railroad Trainmen, died on July 16. He has been succeeded by William P. Kennedy, general secretary and treasurer of the brotherhood. The careers of both men are reviewed on page 41, along with excerpts from a post-election statement by Mr. Kennedy declaring his intention to continue policies followed by Mr. Whitney.

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PLUS OKONITE LONG LIFE



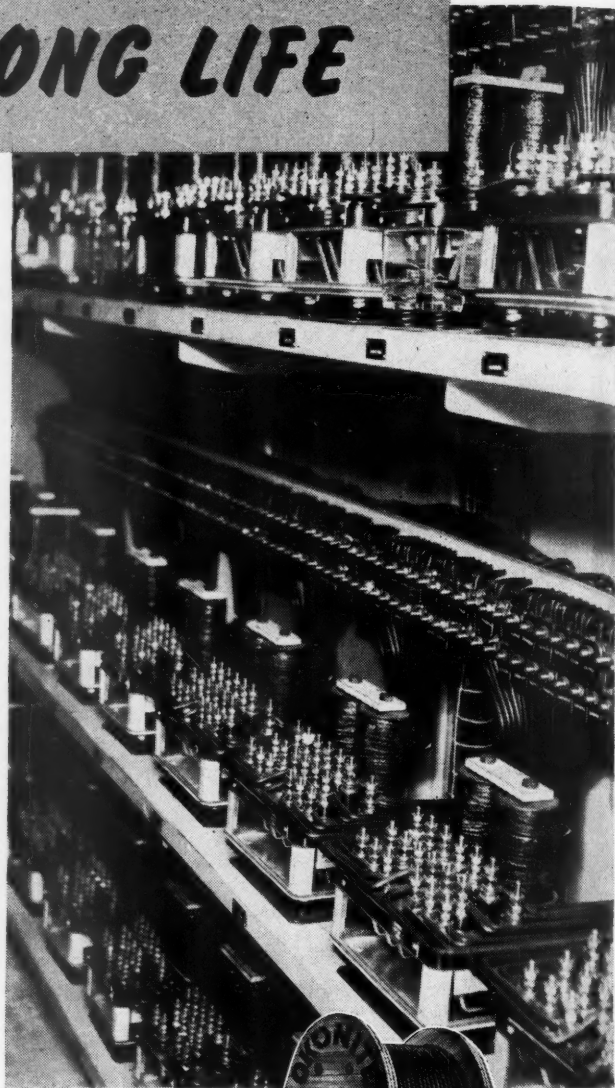
For applying electric current to railway signal towers and instrument cases, one type of wire construction is a standout. It has been proved by the years. It has earned its wide usage, its reputation for failure-free operation. It consists of a stranded conductor protected with natural rubber insulation sealed in a flame-resisting neoprene sheath.

Okonite-Okoprene Tower and Case Wire gives you this service-proved construction at its best. Over its conductor, which is coated with corrosion-resistant Okoloy, is applied time-tested Okonite insulation compounded from wild Up-River Fine Para rubber. This, in turn, is protected by a sheath of Okoprene, an Okonite-developed compound — the pioneer neoprene cable covering.

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WHY WORRY ABOUT THE RAILROADS?

We hear a lot of intelligent people outside the railroad industry worrying about the future of the railroads. They would better be worrying about the future of the American economy as a whole and trying to do something worth while to save it. The railways are in danger, but they are in danger for the same reasons that the entire economy is in danger, and it is doubtful if they are in any more danger than the rest of the economy.

Before any reader disagrees with this, let him ponder the following facts: There are no two industries in the country that are more different than the railroad industry and the housing industry. The railroads are our most highly centralized industry, housing our most highly decentralized industry. The railroads have long been considered and treated as a natural monopoly and subjected to regulation as such. The construction, ownership, renting and sale of housing always until recently were considered and treated as naturally a highly competitive industry and subjected to almost no government interference.

Yet today private enterprise in the railroad industry and private enterprise in the housing industry are threatened with destruction by very similar government policies. As the two of our greatest industries which are the most different from each other are thus threatened by similar government policies, can anybody be so blind or so incapable of per-

ceiving the significance of what he sees as not to realize that every part of our private enterprise economy is being threatened by the socialistic policies which he sees are threatening some parts of it?

The principal policies threatening the railways as a private enterprise are: (1) Fixing by labor monopolies and government of wages and conditions of employment that are excessively costly; (2) regulation by government which keeps rates too low in proportion to costs and prevents the railways from meeting the rates of "pick-and-choose" competitors unless they make similar reductions on traffic not sufficiently remunerative to invite competition; (3) excessive taxation due to excessive spending by federal, state and local governments, and (4) capture of traffic from railways by competing carriers made possible by government subsidization of these carriers.

The railways already are suffering severely from these policies, and are in danger of suffering worse from them after the 40-hour week for non-operating employees decreed by a government fact-finding board goes into effect in September. But the railways will not suffer and are not now suffering alone from such policies. First, in this country the railways are a more important part of the entire economy than they are in any other country, and if they should become unable to function as a private enterprise they would drag with them into the socialized seg-

ment of the economy large parts of the other industries of the country—especially those that supply the railways with \$2½ billion to \$3 billion of fuel, equipment and materials a year and the carriers that now compete with them—for government would not tolerate competition with railways owned by it.

Still worse, many if not most other industries are already suffering or being seriously threatened with the same kinds of policies that are threatening the railways. The private housing industry is suffering already from excessive costs and controls of rentals that seriously restrict profits; and it is now threatened under the new housing act by an increase of government-subsidized competition. One of the most significant facts about the recent boom was that only a very small part of the capital invested in improvements and expansion by business was raised by the sale of securities, while an unprecedentedly large part of it was derived from net earnings that the managements of corporations withheld from their stockholders. Why? Because, in spite of large net earnings, the prices of stocks were so low that the managements did not believe they could sell stocks for enough to raise needed new capital.

Inability to raise new capital by the sale of stock long since became a chronic disease of railroads, with some exceptions. It is significant and shocking that the disease has now spread to most other industries. Why has this occurred? It has occurred because increases in costs—especially wages and taxes—relatively exceeding increases in rates and prices have made the “break-even” points of most corporations of all kinds so high that most persons having capital have lost confidence in the ability of most corporations to earn adequate profits and pay adequate dividends and therefore will not buy their stocks.

Why worry especially about the future of the railroads or of any particular industry or industries when the facts prove that the nation's *private enterprise economy as a whole* has so lost the confidence of investors that it can not finance itself even during a boom with “venture capital”—for net earnings withheld from stockholders because stockholders will not venture are not venture capital, and will not long be sufficient without venture capital to finance the improvement and expansion of plant required to maintain employment and adequately increase production and distribution.

Stop Complaining—and Organize

All such facts as the foregoing are unknown to or are ignored by the economic illiterates and idiots who are dictating the government's socialistic policies and writing the speeches of its officials for their own political and other purposes. But it does seem that they would be known to and that their significance would not be ignored by the millions of people of more than average ability, ambition, income and

wealth who compose the great American middle class and by those who represent them in business and public life. These people have enough numbers and power, if they would quit complaining about socialistic policies and helping promote them, and begin *organizing* and *acting* to defeat them—and *all* of them—to save the American systems of political freedom and of private property and private enterprise. But political freedom, private property and private enterprise in this country are doomed unless the progress of socialistic policies is soon stopped by the use of the same means by which it is being promoted—viz., *by organized political action against every socialistic policy.*

Perhaps the most surprising and paradoxical fact of modern history is the failure of the economically better off and supposedly more intelligent classes of the people in countries throughout the world to take any organized political action to defend themselves from the organized political efforts being made to destroy private property and the private enterprise by which it is created and managed. Forty years ago the president of a large American university remarked to an important industrialist that most of the American people were really socialists. The industrialist asked if that did not show the existence of a dangerous situation. The university president replied: “No, because the fact that a man is a socialist shows that he has not brains enough to get anything done.”

Political Action the Only Answer

Experience has shown, and is still showing every day, that that view was entirely fallacious. There is a natural tendency for manual workers to be socialistic because usually their incomes are smaller than those of brain workers and they believe this inequality of incomes can and should be redressed by government policies. Also, manual workers, when free to organize, are easier to organize and lead than the more highly individualistic middle class. But unless it organizes and takes organized *political* action against socialistic policies the American middle class will soon see everything it has ever stood for, everything it has and everything it values engulfed in the rising tide of state socialism.

As the dominant faction of the Democratic party has gone all out for state socialism, the best means the middle class has of defending and saving itself is that of completely converting the Republican party, which it already actually controls, into an avowedly anti-socialist party and using it against all socialistic policies. It cannot be too strongly emphasized that the adoption of socialistic policies cannot be stopped by continuance of propaganda against them by *non-political* business organizations. The effective attacks on private property and private enterprise are being made *in politics*; and effective resistance to them can be made *only in politics.*

IT MAY NOT BE TOO LATE

Back in March, working together, the railways were able to achieve the best possible settlement out of the recommendations of an emergency board for a 40-hr., 5-day week for their non-operating employees, but as the result of their acting independently, or largely so, to bring their local agreements into harmony with the general agreement, it is not so certain that all those roads that have already signed separate agreements have gotten the best possible bargain. It is certain that some of them, not aware of what was going on elsewhere, have overlooked important possibilities.

It was a foregone conclusion from the outset that the various non-operating brotherhoods would act as a unit, working through "headquarters" in adjusting local agreements—and this has been largely done. Early, it was suggested in these pages that the railroads do the same thing. For example, in our April 30 issue it was noted that unity of action among the carriers would help secure whatever benefits might accrue from the 40-hr. week, while avoiding as many as possible of the adverse effects. It was pointed out that if the roads acted together, or at least kept each other informed, there should be less difficulty in negotiating local agreements on individual roads, and less occasion for dissatisfaction or disappointment later.

The hour is now late to repeat this suggestion, for some roads have already consummated local agreements and are "ready" for the September 1 revolution. But for those roads that have not "signed up," the original suggestion still stands; and with greater weight behind it than before, because it has been demonstrated that, coordinating their thinking, some roads have achieved more than they thought was possible, while others, acting in isolation, now see some arrangements they wish they had and haven't.

For example, while accepting for maintenance forces the Monday-through-Friday week as basic, with overtime for Saturday and Sunday work, at least two large roads, faced with inevitable winter storms—Saturdays and Sundays, as well as Monday through Friday—have secured the right to stagger the work week of their track forces at many important yard and terminal points from November 1 to March 31, giving them a large measure of winter protection at these points on Saturdays at basic wage rates.

Such an arrangement involves no measurable sacrifice on the part of the organizations, but it can mean much to the railroads, both in protecting their properties against winter tie-ups and in making their labor costs more reasonable. Furthermore, these same roads also secured the right to negotiate for similar staggering of forces at places

other than those specifically named in agreements already reached.

Some of the agreements already signed do not contain these and other helpful features, and many others still to be completed will be devoid of them unless those who are doing the negotiating for the railroads take the time to find out what's going on elsewhere, beyond the range of a local telephone call.

WHOSE HIGHWAYS?

The Greyhound Corporation is reported to have produced a test model of a new double-deck, 43-seat bus, the "Scenicruiser," equipped with luggage space, washroom and toilet facilities, public address system and raised observation lounge. There's just one hitch—the new bus, while below state limits on vehicle height, is 40 ft. in length, which is longer than some states allow.

So Greyhound's president, Orville S. Caesar, is quoted as having said that he hopes "the riding public everywhere will insist on their right to use this new type of service."

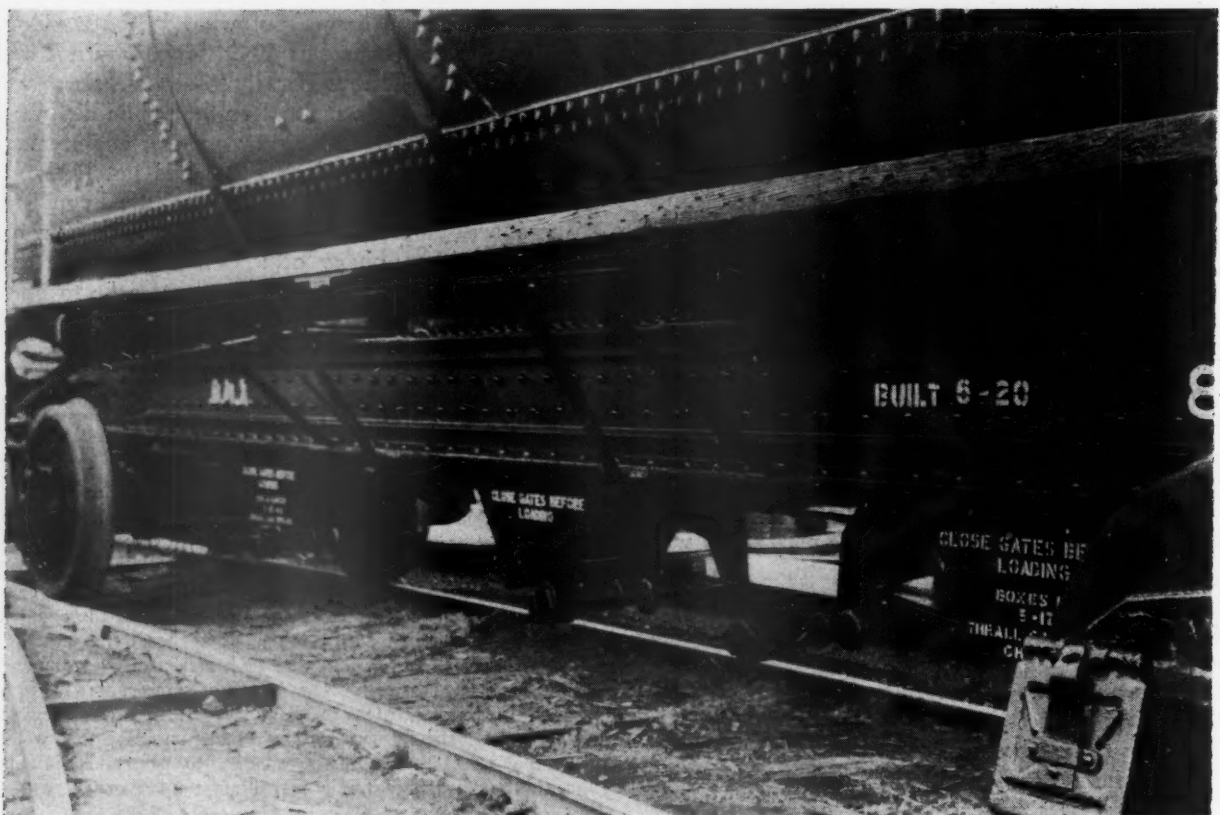
But does the bus-riding public have a "right" to a 40-ft. bus, merely by voting for it? Who is going to pay the extra cost of highways built to standards to accommodate such large vehicles? And, if the bus-riding public has such a "right" as Mr. Caesar assumes, then why place the limit at 40 ft.; why not 100 ft.? And how about width? If bus riders can vote themselves a bus 40 ft. long, why not one 20 ft. wide? The proper limitation of sizes and weights of vehicles permitted on the public highways is a problem—and not an easy one—in engineering, in economics and in finance; and is not likely to be correctly answered by appeal to political cupidity. There are, moreover, other users of the highways than bus riders—many of whom, perhaps, are less enthusiastic than Mr. Caesar appears to be to open up the roads to even larger vehicles than those now admitted.

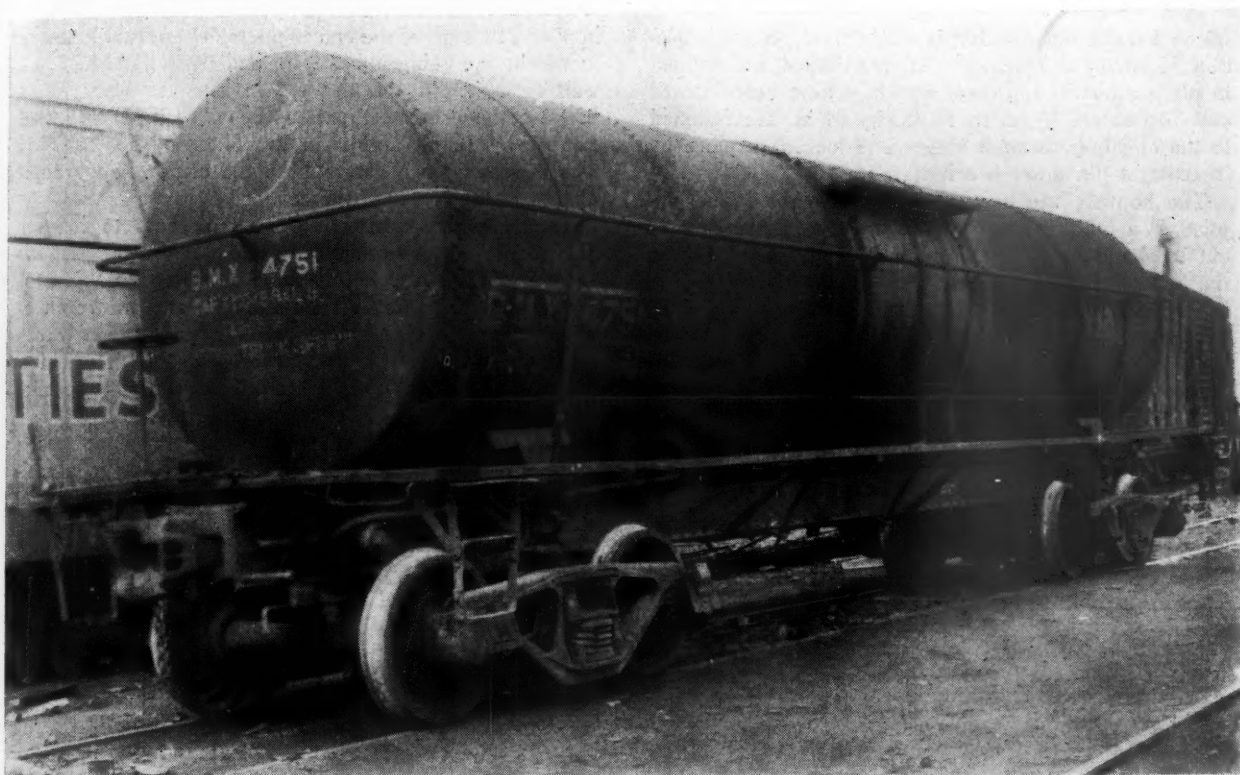
The state executives [at the recent conference of state governors in Colorado Springs, Colo.] were united in the belief that taxes levied upon the heavier trucks should be increased sufficiently to make up for the wear and tear to which they subject the highways. The trucking companies have one of the most effective lobbies in the country, however, and when efforts are made to boost the fees they frequently succeed in defeating such measures by so amending them as to make the increases applicable to farm and other small trucks, with the result that rural legislators are tricked into voting against any measure that would compel the big trucking companies to pay taxes in line with the burden of traffic they impose upon our highways. —*Davenport, Iowa, Times.*

Converts Tank Cars to Hopper Cars



Above—One of eleven hopper cars converted from tank cars which will be used to haul full-capacity loads of roofing stone. Below—The hoppers of the 98 per cent self-clearing Class LTA hopper car





Tank car from which the hopper car was converted

The Barrett Division, Allied Chemical & Dye Corp., New York, recently overcame a raw materials supply problem occasioned by the scarcity of suitable transportation equipment. Faced with a shortage of hopper cars to carry the dry granules required in its production of roofings, it designed suitable equipment entailing conversion of Class 3 TM tank cars to Class LTA 50-ton hopper cars.

Plans for 30 units were originally approved by the Mechanical Division of the Association of American Railroads. An expansion of the project was subsequently approved.

After completion of the initial 19 units at a Barrett tank-car shop, the Thrall Car Manufacturing Company, Chicago Heights, Ill., was awarded a contract for 11 units. The following details cover work accomplished by both Barrett and Thrall.

The tank cars assigned for conversion were built in 1920. They had $\frac{3}{8}$ -in. top and $\frac{1}{2}$ -in. bottom sheets and capacities of 10,000 gal. each. The cubical content of the tanks readily permits economical loadings of granules.

After cleaning and stripping, the tank is removed from the car and all work done upon the tank while it is off the underframe. This comprises removal of the dome, outlets and tank anchors, cutting and applying the three top hatches, welding the two slope cross ridges in place, and applying the three hoppers. The slope sheets were welded in place with their tops 12 in. below the inside top of the tank. A 3-in. inspection hole was installed in each end.

The original center sill comprised two 15-in. chan-

nels joined by cover plates. This has been reinforced with two 9-in. channels riveted to either side of the sill from body bolster to body bolster. This serves both to strengthen the center sill and to compensate for cutting through the cover plates to make room for the hoppers. The cover plate now extends from the end sill to the outside end of each hopper, and between the end hoppers and the center hopper only. Additional under-tank frame reinforcement is furnished by a section of boiler plate $\frac{1}{2}$ in. by 24 in. by 66 in. welded inside the tank in place directly over each body bolster to support the tank.

The tank anchors and the seams where the hopper fits to the tank are riveted joints; otherwise all joints are welded. A $\frac{3}{4}$ -in. rod is applied around all joints and at the top and bottom of where the slope sheets join the cylindrical tank to facilitate welding the joints. The slope sheets, which are $\frac{3}{8}$ in. thick are reinforced by $\frac{3}{8}$ -in. by 3-in. by 3-in. angles. Six such angles are used for each end slope sheet. One pair extends from the approximate vertical center of the slope sheet straight down to the bottom of the tank, a second pair from the vertical center of the slope sheet to the bottom part of the joint between the tank bottom and the end section, and one pair is welded along the underneath side of each slope sheet. One angle also extends across the slope sheet at the vertical center. The distance between the angles is 29 in. The two pairs of supporting angles are fastened at their lower ends to the tank bottom by gusset plates $\frac{1}{2}$ in. by 6 in. by 12 in.

Each of the three top openings are elliptical shaped and approximately 16 in. wide by 60 in. long. The

frame for the top opening is made from an angle section $\frac{3}{8}$ in. by $3\frac{1}{2}$ in. by 6 in. pre-shaped and welded in place after the top cover openings have been burned out. Top covers $\frac{1}{4}$ in. by 20 in. by 64 in. are fastened to the openings through hinges and locked in place by inserting a pin through a hasp.

The hoppers are completely pre-assembled and applied as a unit. They are made from $\frac{1}{4}$ -in. steel plates cut to shape on a shear and welded together to form the finished hopper. The hopper opening frame is $1\frac{1}{8}$ in. by $13\frac{1}{4}$ in. by $16\frac{1}{4}$ in. outside and is also welded in place. After the hopper is welded in place to the tank three bars $\frac{1}{2}$ in. by 4 in. by 15 in. are welded across the top of the hopper to further secure it in place. The hoppers are operated by spur gears with the track welded to the bottom of the hopper slide; the gears are held in place by two formed brackets $\frac{1}{4}$ in. by 16 in. by 12 in. welded to the sides of the hoppers.

A cross ridge is welded in place between the center

hopper and each of the end hoppers. These vary slightly in width, one being about 9 in. and the other 11 in., as well as in height, one being 5 in. and the other 7 in., because the center hopper is separated from one end hopper by 12 in. and from the other by 15 in. This was necessary in order to have the center hopper discharge at the center of the car.

In addition to converting the tank cars to hopper cars, miscellaneous other work was performed, such as the application of AB brakes, a new wooden top running board, new center tank anchors, and the replacement, where necessary, of miscellaneous underframe members. Considerable use, however, was made of existing parts, such as the original side running boards, tank bands, handholds, couplers and draft gears.

The color scheme of the converted cars comprises a distinctive red background with all stencilling in aluminum. The bottom sheets and underframe are conventional black.

Why Railroads Should Administer and Police Reduction of Their Own Smoke

*A city smoke regulation engineer describes a concrete program of cooperation between a city and its railroads to benefit both**

Smoke regulation has ceased to be a business to be considered in a trifling manner. Railroads have regulation in every city of any size and in many places where you may have considered "it couldn't happen here."

It is quite possible in a city like Columbus, Ohio, to follow the attitude of "catch me if you can" on smoke violations, but it would cost the city a sum of money equivalent to the salaries of approximately 400 railroad smoke inspectors, or one for each crew dispatched, if we anticipate a full control of smoke on each locomotive at all times. This would quickly prove quite impractical; programs of the "catch me if you can" type have a tendency to fail at a rather early date in their execution.

In Columbus we spent approximately 120 days developing a semblance of confidence between the operators, managers and supervisors of railroad equipment and the city administration for smoke regulation. Continued discussions have been had with representatives of the brotherhoods, supervisory personnel and top management of each railroad, keeping them abreast

By **HARRY C. BALLMAN**
Smoke Regulation Engineer,
Columbus, Ohio

of our policy and activity so that they could work to a program of assuming their own responsibilities in the matter of smoke regulation.

Preventing Undue Regulation

We have heard enough in the past years about the insertion of bureaus and bureaucrats into American business without invitation. I cannot believe that the railroads would ask the smoke regulating departments in all of the cities of this country to step in and run their business at each point in question. This I believe would be completely the reverse of the philosophy and policy of old-line companies such as we find in the average American railroad business. The railroads want to "run their own business." I believe that this is proper and should be the philosophy of a smoke-regulation program in regard to its railroad problem.

*From a paper presented at the annual meeting of the Smoke Prevention Association of America in Birmingham, Ala., May 23-27, 1949.

In addition, I have found that each railroad has a company rule specifically dealing with the emission of dense smoke while the locomotive is in the hands of the operators. Peculiar as it may seem, however, no railroad ever enforces this rule until it is forcibly pointed out by city administrators that it is on their books and should be enforced regardless of the city ordinance.

The control of railroad smoke can only be had when the railroads assume their full responsibility for proper supervision, proper tools, well maintained equipment, and proper operating conditions. We are today having excellent proof that when the railroads, from the top management down to the most recently hired fire tender, take it upon themselves to do a job of controlling smoke, then and only then can it be done.

The railroads must maintain their equipment in A-1 condition and this, of course, can only be accomplished if the orders come from sufficiently far up in management. We are all prone to use excuses rather than to make an extra effort and I believe this is particularly true in smoke regulation insofar as the operator of equipment is concerned. As long as he has a reasonable excuse he will continue to make smoke. All available tools should also be at hand to give the operator every opportunity to reduce smoke to a minimum.

We have all been on locomotives on which the emission of dense smoke could not be readily reduced by the application of additional facilities because they were not available on the locomotive. This again is a railroad's responsibility to see that each locomotive is properly equipped.

The Role of Supervision

Supervision is the most important. Each railroad with any sizable operation in a city having a smoke regulatory ordinance must have direct smoke-control employees who have sufficient supervisory capacities to get the job done. In Columbus we have two railroads which maintain traveling smoke inspectors over their whole system. We are able to accomplish much through this type of supervision. However, one railroad has a man located in Columbus full time who watches the program on their particular operation and we find this far more satisfactory. This one company has even found that one man over the city-wide operation was still not quite sufficient and they have gone a step further in setting up a smoke inspector of their own at one of their enginehouses. Constant supervision is one of the greatest factors in the control of smoke and I can only urge each railroad to take its full responsibility in this particular matter.

In striving for the railroads to assume their responsibilities for smoke control I do not wish to infer that I believe it can be done without some inspection staff on the city payroll. A smoke control program on any and all railroads without the stabilizing effect of a city agent to evaluate, furnish incentive, exchange ideas and keep the city residents aware of the progress of a smoke program would be like the proverbial ship floundering without a rudder.

Railroad smoke inspectors who constantly attack their problem from the standpoint of violations and condemnations I believe will eventually wear the cloth thin to the point that it will rupture from the strain. I am a great believer in seeking violations on a rail-

road. On the other hand I think that the great American way of doing business on a competitive basis has its sterling qualities.

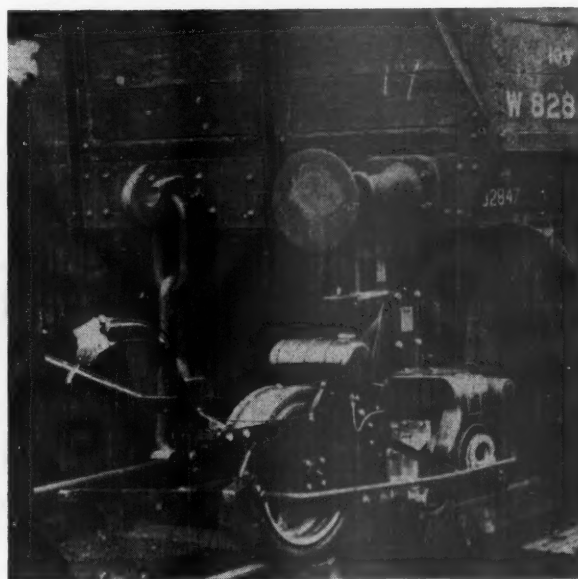
We are now setting up in the city of Columbus a competitive program among the railroads indicating the best job done based on the number of violations per observed operations. At the end of each month, based upon statistics at hand, we award a plaque to the railroad doing the best job on (1) locomotives in operation, and (2) roundhouse operations. This competitive plan does much to form an incentive in the men to claim an award of their own.

The city smoke inspector should be in the same position as an umpire at a baseball game in that he calls the balls and strikes as he sees them and also records the runs as they are made, but it is up to the railroads as a team of men, brawn, brain and equipment, to play the game and do the job.

It is difficult, I know, to draw a fine line which would indicate the exacting position that a railroad should take in its relation to city inspectors, but too often do the railroads take the attitude of dumping any and all of their problems into the first basket that they see and this basket is too often in the responsible charge of a smoke department.

We have for years spoken glibly of education in terms of educating firemen, enginemen and hostlers, but I believe that we have long since passed the point at which this education should be broadened in its meaning to cover all aspects of railroading, including management, operation, dispatching, design, etc.

When our smoke control programs have educated all railroad personnel, from the top to the bottom, that the control of smoke emission is as vital to a railroad in its public relations as its safety program, then and only then will we look forward to a measure of sustained success in holding the emission of dense smoke to an irreducible minimum.

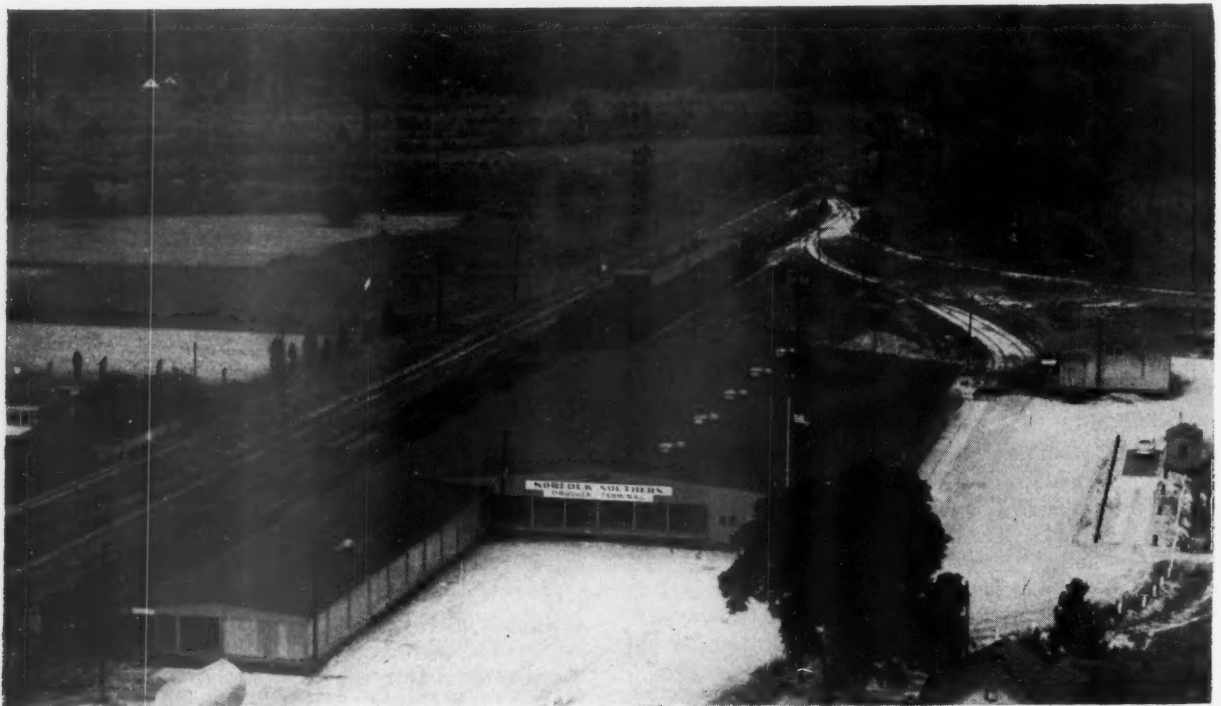


A gasoline-powered machine for "spotting" freight cars has been placed in service by the British Railways at the Hockley freight station in Birmingham. The "car mover" can be operated by a semi-skilled worker

What Owner Management



Above—The Norfolk Southern is about 75 per cent of the way toward its goal of complete Dieselization. Below—This \$150,000 produce terminal at Euclid, Va., (near Norfolk) helps farmers speed up movement to markets and get better prices through scientific up-grading. It will be self-supporting from rentals



Is Accomplishing on the Norfolk Southern

*Attains dividend status via "dynamic retirement,"
debt reduction, expense controls and Dieselization*

The management which has been in full charge of the 722-mi. Norfolk Southern since May, 1947, believes in the future of the property—else they would not have bought it—because most of the component officers have a substantial personal financial stake in its success. What they claim to have accomplished in their short tenure is, in view of the situation and condition of the road, the result of a judicious admixture of boldness and prudence not vouchsafed commonly to business ventures.

When—effective January 1, 1942—the road emerged from its fifth bankruptcy as the Norfolk Southern Railway Company, its fixed charges were 65 per cent less than before, although its overall charges—fixed plus contingent—were slightly increased. During the war years 1942-1945, the new charges were fully covered and substantial net income earned, but, in 1946, despite a high level of traffic for peacetime, the road failed to earn even its fixed charges of \$315,417, let alone the interest on its income bonds.

From a flourishing local operation during the war, passenger volume had almost disappeared on the railroad by the end of 1946. No new equipment of any kind was purchased by the line from February, 1941, to the end of 1946. Because of wartime restrictions on labor and material, roadway maintenance deficiencies accumulated.

Such was the state of affairs when Patrick B. McGinnis, New York investment banker, and Joseph T. Kingsley and their associates assumed full direction of the N. S., through their ownership of a majority of its capital stock, into which they had been buying since the previous summer.

Earnings Increase

For 1947, the new management was able to come through with what it terms an "actual" net income of \$177,145, compared with a net loss of \$55,183 in 1946*. The stated net income of \$1,376,016 for 1947 was inflated by "abnormal and unusual" credit adjustments in items from previous years.

In 1948 the road earned a net income of \$437,069. This figure would have been about \$834,083, according to a statement in the N. S. public annual report, had it not been for unusual maintenance charges from retirements of track and adjustment of federal income tax accruals.

In 1948 dividends totaling \$2.25 per share were paid on outstanding common stock, which, currently, is on a quarterly dividend basis of 75 cents a share.

*For a truer picture of actual operations of the road in 1946, there must be added to this the \$313,015 representing interest unearned on general mortgage 5 per cent convertible income bonds, making a total net loss of \$368,198.

Figures for the first four months of this year reveal a favorable comparison with the same period last year, reflecting a net income of \$132,226 for the first third of 1949, against \$114,801 for the corresponding period of 1948.

Drastic and continuous reduction of debt—both fixed and contingent-interest—is an important reason for the improved showing in "actual" net income. Under its plan of reorganization the new company started life on January 1, 1942, with fixed-interest debt of \$6.2 million. Its contingent-interest debt totaled \$6,892,300, comprising general mortgage 5's, convertible at holder's option into capital stock at the rate of 40 shares of common stock per \$1,000 bond.

From January 1, 1942, to January 1, 1947, the wartime management of the road purchased \$270,000 principal amount of income bonds, at a cost of \$118,542, and retired \$351,000 through sinking fund operations, while \$11,000 worth were converted to stock, making a total reduction in contingent interest debt of \$632,000. Since the latter date, under its new management, the company has purchased in open market contingent interest debt as follows:

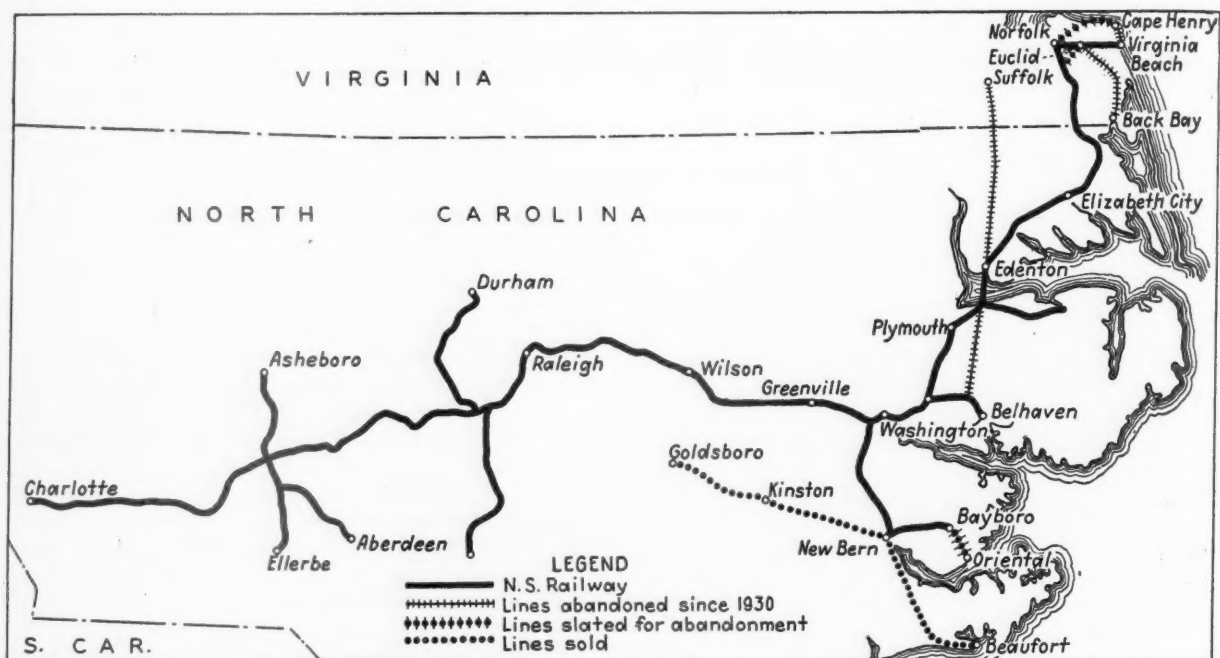
| | Principal Amount | Cost |
|-------------------------|------------------|-----------|
| 1947 | \$959,000 | \$398,504 |
| 1948 | 932,000 | 674,798 |
| 1949 (to Apr. 30) | 166,000 | 134,092 |

The \$1,891,000 of income bonds which the company purchased and acquired in 1947 and 1948 cost it directly or indirectly \$1,073,302, or an average of \$567 for each \$1,000 bond.

Conversion of income bonds into stock by their holders accounted for a further reduction in contingent-interest debt of \$316,500 in 1947; \$838,900 in 1948, and \$94,000 through April 30, 1949. Table I recapitulates the total reduction in contingent-interest debt since the reorganized company opened its books on January 1, 1942, including that accounted for by sinking fund provisions. The total reduction represents a cut in debt of 57 per cent, all accomplished in a little more than seven

TABLE I—REDUCTION OF CONTINGENT INTEREST DEBT OF NORFOLK SOUTHERN SINCE ITS LATEST REORGANIZATION

| Year | Retired by Sinking Fund | Acquired by Railroad | Converted into Stock |
|------------------------------------------------------------------------------|-------------------------|----------------------|----------------------|
| 1942-1946 | \$351,000 | \$ 270,000 | \$ 11,000 |
| 1947 | None | 883,000* | 316,500 |
| 1948 | 76,000 | 868,000† | 838,900 |
| 1949 (to Apr. 30) | 64,000 | 166,000 | 94,000 |
| Total | \$491,000 | \$2,187,000 | \$1,260,400 |
| * \$959,000 actually reacquired but \$76,000 presented to 1948 sinking fund. | | | |
| † \$932,000 actually reacquired but \$64,000 presented to 1949 sinking fund. | | | |



Since 1930 the Norfolk Southern has abandoned or sold 22 per cent of its rail mileage. Adequate rail-road-owned bus and truck operations helped management "sell" abandonment to the public and authorities

years' time. At five per cent the reduction means, to the owners of the N. S., a cut in interest payments of \$196,920 on an annual basis.

A large, though not commensurate, reduction has been effected in fixed interest charges. Although the fixed interest funded *debt* of the company has increased 1.2 per cent during the seven years since January 1, 1942, the annual *charges* thereon have been cut by more than one-third, through payment in full of notes of the Reconstruction Finance Corporation and refinancing, at a low interest rate, of the first mortgage bonds. Changes in debt over the seven-year period are set forth in Table II. Changes in interest payments thereon over the same period are listed in Table III.

By reason of the conversion of income bonds the amount of capital stock of the company has increased

considerably. The total issued and outstanding as of December 31, 1948, was classified as follows:

| Description | No. Shares | Principal Amount |
|--------------------------------------------------|------------|------------------|
| Issued in exchange for securities of old company | 60,615 | \$6,048,664 |
| Issued for purchase warrants | 139 | 1,458 |
| Issued to unsecured creditors of old company | 56 | 5,600 |
| Issued in conversion of income bonds | 46,656 | 1,166,400 |

All-Diesel and Modern Cars

Because of wartime restrictions, and, later, for financial reasons, the N. S. purchased no new rolling stock between February 1, 1941, and December 10, 1946. Starting in 1947, despite payment of substantial dividends and heavy purchases of income bonds, the road's management made commitments for a large amount of



The railroad's highway subsidiary operates 60 buses and earned more than \$1 million in passenger revenues in 1948. Its integrated services made it possible for the railroad to go out of the rail passenger business gracefully

new rolling stock. Orders placed in 1947 and 1948 represented \$3,285,108 worth of Diesel locomotives and freight cars. Equipment ordered and received comprised:

| No. | Equipment |
|-----|---------------------------------------|
| 3 | Diesel switchers, 660 hp. |
| 2 | Diesel switchers, 1000 hp. |
| 10 | Diesel freight locomotives, 1,500 hp. |
| 3 | Diesel freight locomotives, 600 hp. |
| 250 | Box cars, all steel |
| 64 | Flat cars |
| 50 | Gondola cars |

With these acquisitions, the road is about 75 per cent of the way on its goal toward complete Dieselization. Since the new management took over, the value of new rolling stock in service is actually about 60 per cent of the total equipment used. Orders for additional Diesels are anticipated for the near future.

Fixed property improvements during 1947 and 1948 included the laying of new 100-lb. rail on some 12 mi. of main track; improvements in coal-handling facilities at two points for the remaining steam locomotives and the erection of additional Diesel fuel oil storage tanks. Up to January 1, 1942, the N. S. had made no start on replacing untreated ties. Today approximately 40 per cent of its ties in main track are of treated timber, a factor which is expected to decrease its maintenance ratio substantially.

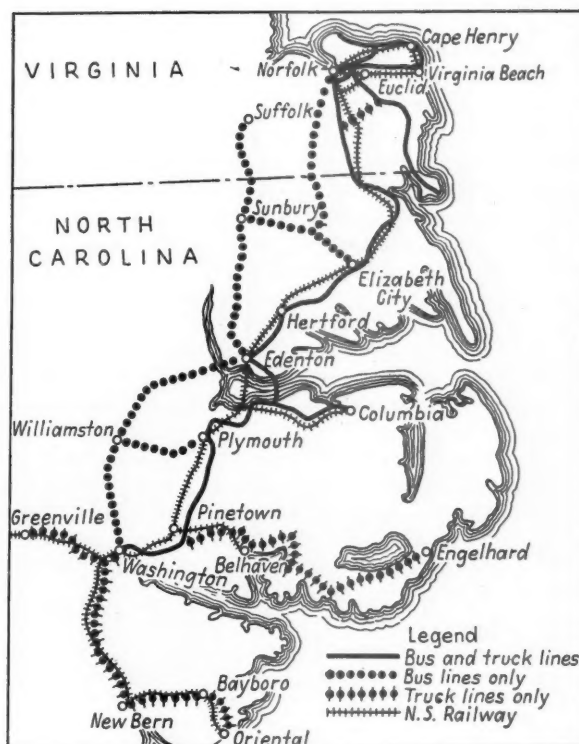
"Dynamic Retirement"

Another important factor in the improvement of N. S. earnings is a policy of what might be termed "dynamic retirement"—abandonment of plant and service, linked with rearrangements and new construction so as to create an optimum plant in relation to public need, operating efficiency and overall service. This kind of "pruning" of plant is not to be confused with mere passive, defeatist entrenchment; it is, rather, a reshaping to meet new conditions which produces not only a more compact, well-utilized plant, but better service as well.

Serving—except generally at its two main terminals—predominantly an agricultural area of light population, the N. S. is, and has been for some time, overbuilt in branch-line mileage. Use of trucks for gathering services long since ended the public's need for continued operation of burdensome branches. The present management, therefore, has carried along and accelerated the efforts of its predecessors toward speedy elimination of lines which, from a system revenue standpoint, produce out-of-pocket losses. Since 1930 a total of 209 mi. of road have been abandoned and taken up, as shown on the accompanying map.

Thus was discarded 22 per cent of the mileage operated as of January 1, 1930. Proposed for abandonment in 1949, subject to approval of the Interstate Commerce Commission, is the outermost segment of the Oriental branch from Bayboro, N. C., to Oriental, 9.5 mi. Subject, in addition, to approval of bondholders are proposals to slough off the Kempsville branch, from Providence, Va., to Euclid, 7.4 mi.; almost all of the northern "loop" line between Norfolk, Va., and Virginia Beach—specifically between Camden Heights and Lake Station (not shown on map), 18.5 mi.; and three segments of trackage within the limits of Norfolk totaling 3.6 mi.

Abandonment of the two last-named trackages is



The services of the bus subsidiary tie in with railroad operations at the east end of the system

made possible by discontinuance of rail passenger service between Norfolk and Virginia Beach, effective November, 1947. Stemming from an electric interurban traction-type operation on both the so-called north, or "loop," and south routes, inaugurated by the Norfolk Southern in 1904, this local suburban service was provided by a fleet of five specially designed lightweight motor rail cars from 1935 until its abandonment. During the war it was a "lifesaver" for pleasure seekers

TABLE II—CHANGES IN DEBT OF NORFOLK SOUTHERN, 1942-1949

| | Jan. 1, 1942 | Jan. 1, 1949 | Change |
|-------------------------------------------------------|--------------|--------------|------------------|
| Funded Debt-Fixed Interest | | | |
| Equipment obligations | \$1,927,000 | \$3,203,416 | Inc. \$1,276,416 |
| R.F.C. note due 3/10/25 | 368,000 | None | Dec. 368,000 |
| First Mortgage Series "A" 4 1/2s Due 7/1/98 | 3,918,000 | None | Dec. 3,918,000 |
| First Mortgage Series "B" 3s Due 1/1/86 | None | 3,087,000 | Inc. 3,087,000 |
| | \$6,213,000 | \$6,290,416 | Inc. \$ 77,416 |

TABLE III—CHANGES IN INTEREST PAID BY NORFOLK SOUTHERN, 1942-1948

| | Paid in 1942 | Accrued in 1948 | |
|------------------------------------------|---------------------------|-----------------|----------------|
| Equipment obligations— | | | |
| \$ 59,768 (av. rate 3.1%) | \$ 73,117 (av. rate 2.3%) | Inc. | \$ 13,349 |
| R.F.C. 4% note due 3/10/52 | 14,720 | None | Dec. 14,720 |
| First Mtge. Series "A" 4 1/2s due 7/1/98 | 176,310 | None | Dec. 176,310 |
| First Mtge. Series "B" 3's due 7/1/86 | None | 93,675 | Inc. 93,675 |
| | \$250,798 | \$166,792 | Dec. \$ 84,006 |

going to Virginia Beach and for numerous military posts along the line and in the area.

The last N. S. passenger train—a once-a-day run between Norfolk and Raleigh, N. C.—was operated on January 31, 1948, and the road looks forward to many tangible advantages from its new all-freight status. Passenger business had fallen off to almost nothing; it is evident that the public won't miss it.

This is true particularly because the company was one of the first railroads in the country to go into the bus—and later the truck—business in a large way. As far back as 1926 it established a bus service between Norfolk and Virginia Beach which was built up to the point where it could better the rail service. Successful operation of these highway lines has undoubtedly eased the way in getting permission to curtail or abandon rail operations, for the railroad affiliate was able to assure the public that good common-carrier service, operated in close connection with the parent railroad and with full financial responsibility, would continue to be theirs. Providing for these operations through its subsidiary Norfolk Southern Bus Corporation (except for train substitution truck service between Candor and Ellerbe, on the Ellerbe branch on the west end of the system, which is run directly by the railroad company), the N. S. offers fares at usual intercity bus levels and joint rates with connecting bus companies.

The truck lines operated by the subsidiary have full trucking rights, without restriction as to prior or subsequent rail haul and rail billing, although some routes also carry freight in way-freight substitution service on rail billing, in connection with merchandise cars to and from key bulk points.

Bus and truck routes of the Norfolk Southern Bus Corporation are shown separately on the accompanying map. Comparison with the map of the railroad indicates the extent to which they replace abandoned rail lines.

At the close of 1948 the Bus Corporation operated 60 buses in passenger service and 6 trucks, 9 tractors and 9 semi-trailers in freight service. In 1948 it enjoyed total freight revenues of \$114,332 and passenger revenues of \$1,090,421, which, with other minor sources, gave total operating revenues of \$1,233,502. This sum is about 12 per cent of the operating revenues of the railroad company alone. The other major source of non-operating income of the railroad is approximately \$130,000 a year received from the Virginia Electric Power Company for the lease of electric generating and transmission facilities and rights originally created in connection with the Norfolk-Virginia Beach electrified lines.

Quid Pro Quo

The recent important abandonments of facilities by the railroad have involved as well new construction and betterment of service. Almost a year before it discontinued service on the Currituck branch, between Euclid and Back Bay, about 16 mi., effective as of December 31, 1948, the road opened a new produce terminal at Euclid, near Norfolk, which offers farmers in the area among other things, facilities for washing, drying, grading and packaging white potatoes for shipment in one operation. Such extensive facilities have never before been available anywhere in the road's territory and the new machinery is the most progressive step ever

taken to enable producers there to meet competition from other markets—particularly the West coast. Later in 1948, the terminal was expanded and equipment installed for handling soybeans and corn. The terminal, which cost \$150,000, promises to be self-supporting from rentals, apart from freight revenue considerations. Its erection not only took the sting out of the abandonment of the Currituck branch (saving the road \$40,000 a year in taxes, maintenance and operating costs), but actually enabled farmers along the line, by trucking their stuff in private or local contract trucks to its doors, to speed up movement and prepare their wares for better prices by up-grading.

Another example of "dynamic retirement" of facilities during 1948 was the discontinuance of an inconveniently located and duplicating transfer shed and freight station at Berkley (in the southerly portion of Norfolk) and consolidation of its forces with those of the Carolina Junction station in a new facility erected near the main classification and interchange yard of the road at the latter point. This change not only saves the road approximately \$25,000 a year in operating expenses but speeds up the movement of merchandise freight by 24 hours on the average. Even more important, it releases the Berkley property for the future development of a large rail-water-truck terminal which the N. S. has under intensive study.

In addition to abandonment of road and fixed facilities, the N. S. has been undertaking to take up and salvage every foot of siding and access track not now needed for efficient operation. During 1947 and 1948 some 25 mi. of company track, other than first main track, were dismantled, for which the road gained the benefit of high scrap prices, substantial allowances against income taxes for net book losses and continuing ad valorem tax savings.

Assuming that the proposals for 1949 can be successfully carried out, the entire program of retirements for 1947-1949 should ultimately produce savings and recoveries—including salvage and income tax allowances—amounting to more than \$2 million.

Development of Traffic

It is significant that, as a result, for the most part, of judicious abandonment of light-traffic lines and dismantling of excessive trackage, "ad valorem and miscellaneous" taxes paid by the road totaled \$227,540 in 1948, compared with \$254,641 in 1937, despite the fact that in the former year traffic revenues of the road were much higher and tax rates considerably more burdensome.

The territory served by the N. S. is predominantly agricultural. Norfolk, its north and eastern terminus, is an important port and center of military and naval building and storage activity. The eastern end of the line serves the textile and tobacco processing area of the Carolina Piedmont. Nevertheless, the carrier must depend upon agriculture for more of its tonnage than do most of the eastern and southeastern lines. The business of its territory in eastern North Carolina and Virginia is predominantly raising and marketing white potatoes and leaf tobacco. Contrary to the national trend in loading of fruits and vegetables, N. S. loadings of white potatoes in 1948 increased 53 per cent over
(Continued on page 35)

Third-Round Body Blow For Pullman

Higher operating costs, despite important economies, force discontinuance of marginal sleeping car lines; number of cars operated declined 16.6 per cent in first five months of 1949

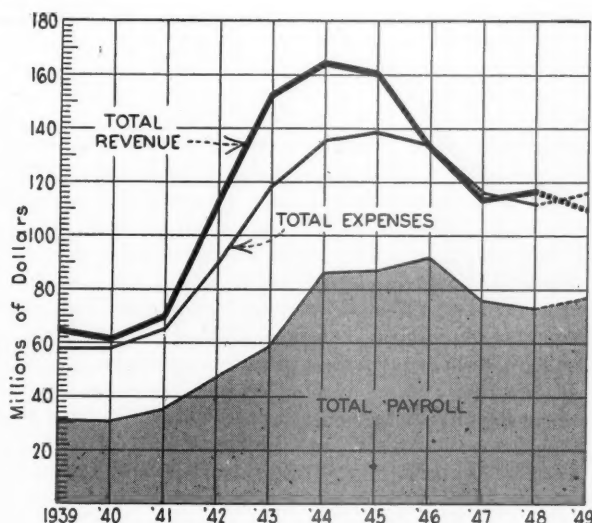
When 66 per cent of an industry's expenses are required to meet the payroll, and heavy wage increases are incurred, it hurts, badly. That's what's happened to Pullman! The Pullman Company, railroad-owned operator and pool manager for sleeping cars, had a good year in 1948 — its first full year under railroad operation. At least it was a good year as far as railroad good years are concerned. The company was able to earn a profit equal to 1.7 per cent of its gross revenues — \$2,011,139 out of \$116,824,900.

Newly-formed in July, 1947, the operation was naturally set up so that the company could thrive. But its constitution was not predicated on the kind of wage demands it had to face in the latter part of 1948 and so far in 1949, coupled with simultaneous traffic reductions. That is why the company's income of a year ago is a red ink figure today. This is how the net for the first five months of 1949 shows up as compared with that of a year ago:

| | Net Income | |
|-----------|------------|-----------|
| | 1949 | 1948 |
| Jan. | \$368,363 | \$655,437 |
| Feb. | D 17,361 | 387,979 |
| Mar. | D 90,394 | 163,163 |
| Apr. | D284,841 | 13,844 |
| May | D327,103 | 29,609 |
| Five Mos. | D351,336 | 1,250,032 |
| | D—deficit | |

The real threat to Pullman prosperity comes September 1, when the full force of the third-round wage increase takes effect. The 40-hr. week becomes effective on that date, and applies not only to maintenance and clerical forces, but to 7,851 car porters as well. The porter's basic work-month, like that of railroad dining car workers, will be reduced from 240 hr. to 205 hr. The 40-hr. week will add about \$9,855,000 annually to Pullman's costs. The seven-cent hourly increase which was granted retroactive to October 16, 1948, has already added approximately \$3,660,000 to annual expenses. Pullman conductors, who consider themselves operating employees, shared in last year's 10-cent hourly increase for railroad operating men, an item which costs Pullman an estimated \$575,000 a year. More recently, these men shared in liberalized vacation benefits.

Some Pullman car lines earn their way, some break about even, and some represent a considerable drain on revenues. Many of those in the two latter categories have been carried along with the strong lines because the railroads wanted to give the service. When costs



Until 1945, the ratio of The Pullman Company's payroll to its total expenses averaged about 56 per cent. The payroll rose while total expenses declined in 1946, since when the ratio has averaged about 66 per cent. Figures for 1949 are based on actual results for the first five months, projected over the year. Because the 40-hr. week becomes effective on September 1, 1949, payroll expenses will be, in fact, even greater than indicated by the estimate based on the first five months

go up, however — and rates and charges for space cannot go up to match — individual railroads are faced with the necessity of discontinuing their poor-earning lines, or, under the uniform contract by which cars are operated for the railroads, either their share of the profit from operating Pullmans is materially reduced, or a debit to cover Pullman Company's losses is incurred or increased.

While some increases in fares have been obtained and have been helpful — particularly to the strong Pullman car lines — they are hardly the whole answer. Each increase in the cost of Pullman travel enhances the competitive position of rival carriers, particularly the air lines.

As an inevitable result, the number of cars operated has dropped from 4,484 in January of this year to 3,737 in May, a decrease of 16.6 per cent in five months. This is an especially discouraging commentary considering what the September 1 wage increases will do to the profitability of the 3,737 remaining cars.

Because The Pullman Company has already trimmed administrative, operating and maintenance costs to the bone, further economies which might preserve the profitability of the marginal lines must be made principally in the biggest item of costs — payrolls. Or, as a happy alternative, the downward trend in traffic will have to be reversed, a prospect that seems most unlikely in the face of a generally declining economy, coupled with the aggressive opposition of subsidized competition gnawing away at the Pullman car trade.

SOCIAL INSURANCE for Railroad Employees

A REVIEW OF PRESENT SCOPE AND CURRENT COST

Railroad employees have the most comprehensive system of social insurance in the United States. Two federal laws offer to them and their families some measure of protection in case of loss of earnings from old age, disability, unemployment, sickness, or death.

Railroad employers and their workers share equally in the taxes which make possible the payment of retirement and survivor benefits. The employers alone pay for unemployment and sickness insurance.

Financing the Programs

Benefits for retirement or death of the wage earner aggregate \$1.7 billion over the dozen-year period for which they have been paid, while administrative expenditures come to \$39 million. Unemployment benefits, payable since July, 1939, total \$154 million, and sickness benefits, payable since July, 1947, \$42 million. Costs of administering these programs, reimbursements to states and state tax refunds account for another \$42 million in expenditures, leaving the balance in the reserve at \$953 million for future unemployment and sickness benefits and administration.

The railroad retirement tax rate effective on January 1, 1949, is 12 per cent, divided equally between employees and employers. It applies to the first \$300 of monthly compensation. This rate will remain in effect through 1951 when a final increase is scheduled to bring the combined rate thereafter to 12.5 per cent of taxable wages.

The Railroad Retirement Tax Act set the initial combined rate in 1937 at 5.5 per cent and the ultimate rate which was to be reached in 1949 at 7.5 per cent. The considerably steeper taxes legislated in 1946 were owing to two factors—actuarial demonstration that higher rates would be necessary if the fund was to be maintained indefinitely without government subsidy and the addition in that year of survivor benefits.

The employer contribution rate for unemployment and sickness insurance is now 0.5 per cent of each employee's earnings up to \$300 a month. The original rate established by the Railroad Unemployment Insurance Act was 3 per cent but the 1948 amendments substituted a sliding scale. The rate during the current calendar year is determined by the balance in the railroad employment insurance account on September 30 of the preceding year.

Retirement and Survivorship Programs

By the end of 1947, about 7.5 million living men and women, both in and outside the railroad industry, held rights to benefits under the railroad retire-

ment system at some future date. They may have worked in railroad jobs for only a few months or for every month in the eleven-year period. Nevertheless, each earned permanent rights to a retirement annuity and simultaneously built up credits toward possible survivor benefits.

On December 31, 1948, there were 339,167 monthly retirement and survivor beneficiaries on the rolls being paid an aggregate monthly amount of \$22.7 million. The average monthly benefit ranged from \$15.93 for parents' annuities to \$84.29 for old-age retirement annuities.

A railroad employee who has stopped working may draw a lifetime retirement annuity at age sixty-five regardless of how much service he has. He may also receive an annuity (1) if he becomes permanently disabled for all regular work and has had ten years of service or is sixty years old, or (2) if he becomes permanently disabled for work in his regular occupation and has had twenty years of service or is sixty years old, provided he is currently connected with the railroad industry. He may retire at age sixty on a reduced annuity, without being disabled, if he has thirty years of railroad service. There is no reduction, however, for women employees.

Retirement annuities are paid monthly and are equal to 2.4 per cent of the first \$50 of the worker's average monthly earnings, 1.8 per cent of the next \$100, and 1.2 per cent of the next \$150, the sum multiplied by the number of his years of service (up to a maximum of thirty, if service before 1937 is included).

The average being paid at present is \$84 a month, and the maximum is \$144. A minimum annuity is guaranteed to workers with at least five years of service and a current connection with the railroad industry. It is equivalent to \$60 or \$3.60 multiplied by the years of service, or the actual averaged monthly compensation, whichever is least.

Monthly and lump-sum benefits are payable to the survivors of an employee who had an insured status at death. Widows' annuities are three fourths of the employee's basic amount;¹ child's and parent's, one half. Where no survivor is entitled to receive an annuity immediately upon death, a lump-sum benefit of eight times the employee's basic amount¹ is payable.

Wages earned in employment covered by old-age and survivors' insurance are counted toward survivor benefits under the Railroad Retirement Act. Likewise to determine social security benefits which begin to accrue after 1946, railroad service is creditable as employment under the Social Security Act.

¹The amount which the deceased employee was receiving or would have received as a retirement annuity.

This article is abstracted, with permission, from an analysis by Miriam Civic in the "Conference Board Business Record," a publication of the National Industrial Conference Board.

The importance of this integration of the two programs is evident from the fact that well over half of the 7.5 million persons who have come under the coverage of the Railroad Retirement Act since 1936 have also been covered under the Social Security Act.

A "residual payment" guarantees that each railroad worker and his survivors will receive benefits at least equal to the retirement taxes he has paid, including taxes paid on his behalf by the federal government to cover periods of creditable military service, plus an allowance for interest. It is the amount by which 4 per cent of the employee's creditable compensation in the period 1937-1946 and 7 per cent thereafter exceeds the total amount paid to the employee in railroad retirement benefits and to his survivors in survivor benefits under the Railroad Retirement Act or Social Security Act.

Unemployment and Sickness Insurance

Unemployment insurance for railroad workers came into effect on July 1, 1939. As under federal-state unemployment compensation for industrial workers, benefits are payable only to applicants who can show that they are "able to work." Legislation in 1946 added sickness and maternity benefits to the railroad social insurance program. Workers who are unemployed because they are temporarily unable to work thus also receive cash benefits today. These are the first government sickness benefit provisions applicable on a national scale.

Unemployment benefits are payable during a "benefit year" to railroad workers who earned at least \$150 in compensation from a covered employer in the "base year," which is the calendar year preceding the beginning of the benefit year. A benefit year runs from July 1 to June 30. Benefits ranging from \$1.75 to \$5.00 are payable for each day of unemployment over seven in the first fourteen-day registration period and for each day over four in subsequent registration periods up to a maximum of 130 days in one benefit year. In December, 1948, unemployment benefits totaling \$2,654,500 were paid out to 53,400 unemployed beneficiaries.

Sickness benefits are payable for any disabling injury or sickness if the employee does not receive wage payments during his absence from work and submits as evidence of his disablement a statement signed by a doctor. The sickness benefit program is completely separate from the unemployment benefit program although provisions dealing with registration periods, daily benefit rates and maximum duration are identical for the two types of payments. Maternity benefits, also at the same daily rate as unemployment benefits, are payable for a maximum period of 116 days beginning fifty-seven days before the date of childbirth. The first fourteen days of the maternity period and the first fourteen days after birth, however, are payable at one and one-half times the daily rate.

The sickness insurance program commenced operation on July 1, 1947. In the first year of operations \$26.6 million was paid out to 150,400 employees, or 9.6 per cent of the average number of workers employed in the railroad industry during the benefit year. The Railroad Retirement Board believes that the number of beneficiaries would have been higher had more

workers been aware of the program and that additional benefits would have gone to those filing claims if they had been more familiar with the requirements. In the first six months of fiscal year 1949, 86,500 beneficiaries received total benefit payments of \$15.6 million. This represents an increase over the corresponding period of the previous year of 16 per cent in number of beneficiaries and 37 per cent in amount of benefits paid.

OWNER MANAGEMENT

(Continued from page 32)

1947. Normal peach production in the territory moving by rail is about 1,100 cars a year.

To further encourage the production and movement of marketable agricultural yields in its territory, the N. S. has erected the modern, versatile produce terminal at Euclid, already referred to, and installed, for the first time, an icing facility for potatoes at Carolina Junction. Effective June 15, 1948, a director of industrial and agricultural development was created—an unusual administrative expansion for a road of this mileage. This new office has since made contact with more than a thousand concerns of national stature to offer the advantages of the road's area. During 1948, industrial sidetracks were installed for 13 new activities and five existing access tracks were extended for expanded activities of customers.

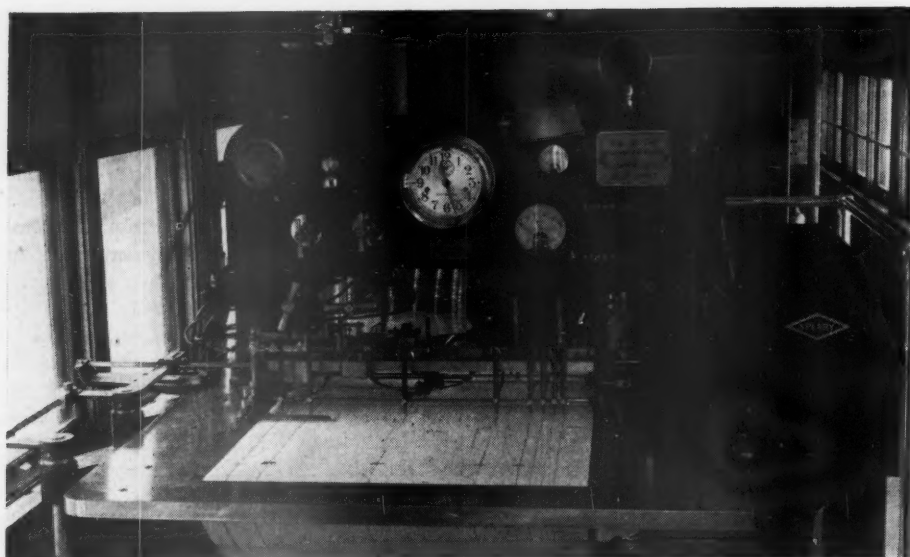
As a result of increased revenues, discontinuance of marginal services, new equipment and improved operating techniques, and despite great increases in wages and material costs, the management of the Norfolk Southern has been able to better its operating ratio from 87.4 in 1946 to 78.3 in 1948, and its transportation ratio from 39.9 in the former year to 34.3 in the latter.

Its key officers bring to the Norfolk Southern a wide variety of experience elsewhere. Chairman McGinnis has gained a reputation for his knowledge of the intricacies of railroad reorganizations and, more lately, for his analysis of railroad financing in general. President Joseph T. Kingsley spent 40 years in the railroad business in a wide range of positions with the Pennsylvania, New York Central, Seaboard and Soo Line, as well as several short line roads. He worked in military railroading in both world wars. Executive Vice-President C. M. Self served with the Southern and Monon in the accounting, maintenance, transportation and executive departments—lastly as chief operating officer—from 1918 until joining the N. S. staff in 1947. Vice-President (Operations) J. C. Wroton has railroaded since 1901, in the operating department of southern roads, having been general manager of the Seaboard between 1942 and 1946.

The Norfolk Southern has detailed plans for future improvements in plant, but will keep them within the bounds of strict prudence. Mr. McGinnis, believing that the assumption of additional debt to cover capital expenditures was the primary cause of the bankruptcy of Class I roads in the last decade, is determined, he says, to keep the Norfolk Southern "living within its income."



The Gyro Track Recorder car, which recently completed 3,133 mi. of testing on the L. & N. in one of the regular semiannual inspections on that road



Close-up of the recording table, showing the record tape and some of the 17 recording pens. Covered gyroscope is at the extreme right



Tiered seats in the observation end of the car are constantly occupied by supervisors and foremen as testing is done in their territories

Louisville & Nashville Knows Its Track

Special testing and recording car, operated over the road twice each year, makes tape record of all irregularities which affect riding conditions
—Also provides means of grading effectiveness of supervisory forces

The Louisville & Nashville, convinced of the value of a periodic, detailed, graphic record of its track conditions, both in the interest of better-riding track and the *esprit de corps* of its track forces, has been one of the most consistent users of the Gyro Track Recorder Car, built and owned by the Chesapeake & Ohio, but operated on a few other roads by Sperry Rail Service. With this car, operated at the rear of regularly-scheduled passenger trains, the road gets a continuous tape record, twice a year, of every mile of its principal tracks, showing the condition of all elements of the track affecting riding quality. Also within a matter of minutes after their territories are covered, division engineers, track supervisors and foremen, who accompany the car, know their respective ratings and just where work is necessary on their track to bring it to the desired standard.

Car a Special Job Throughout

The Gyro car, fitted up in 1937 by the C. & O. at its Huntington, W. Va., shops, includes a variety of detecting and recording mechanisms which make a continuous graphic record of curvature and alignment, cross level and superelevation, surface variations in each rail independent of the cross level, the distance traveled, the elapsed time at any desired interval, and the location of mileposts and other landmarks. From the time and distance records the speed of operation at any point can be determined. Landmarks, such as mileposts, bridges, road crossings, turnouts, tunnels or stations, can be indicated directly on the chart by means of push buttons in the hands of two observers on op-

posite sides of the car, and identified by suitable notation by the operator.

The recording mechanism is mounted in the center section of the Gyro car. Also included in the car are office quarters for the operators and a 25-ft. observation end with 17 double, upholstered seats, tiered on opposite sides of a center ramp. The recording mechanism is designed so the car can be operated in either direction with equal facility, while accuracy of the record is not affected appreciably by any reasonable speed, by variations in speed, or by rolling or nosing of the car body.

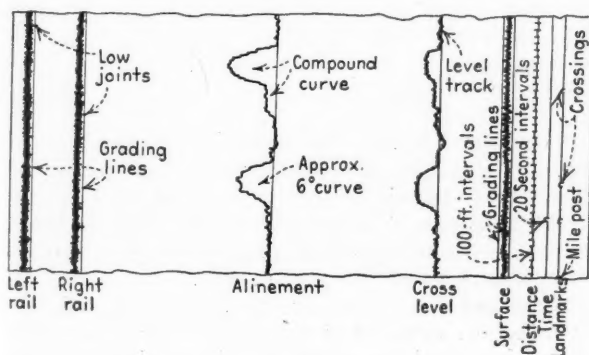
The Recording Mechanism

The basic unit of the recording mechanism is a table equipped with rollers carrying a 24-in. paper tape which moves continuously across the table at a rate in direct proportion to the speed of the car. The table is equipped with 17 pens. Eight of these pens are attached to the actuating mechanism and record, respectively: (1) low joints on the left rail; (2) low joints on right rail; (3) alignment (degree of curvature to scale); (4) cross level; (5) surface; (6) distance; (7) time intervals; and (8) landmarks. Of the other nine pens, five form base lines; two form grading lines, $\frac{1}{4}$ in. to one side of each of the two low-joint base lines; and two form other grading lines, $\frac{1}{4}$ in. each side of the surface base line.

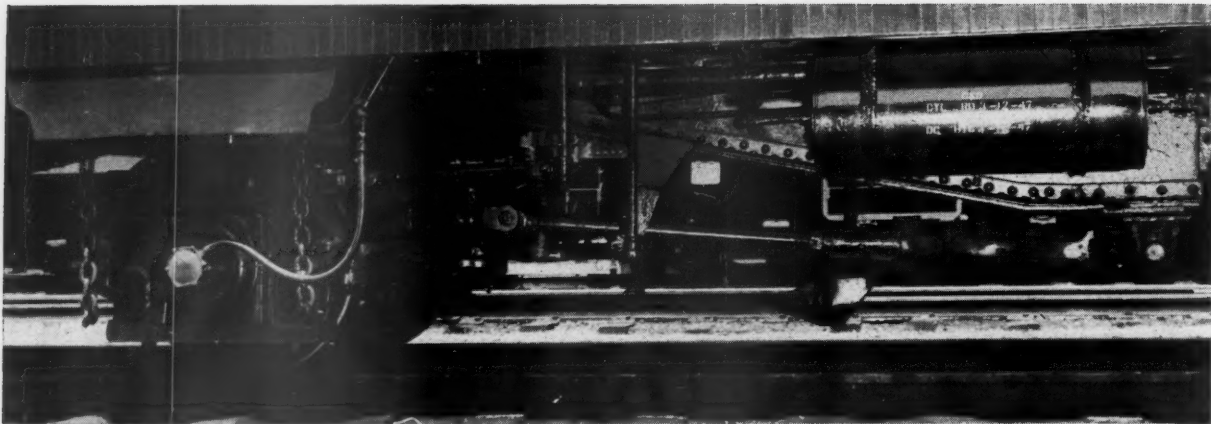
An essential element of the equipment is a two-wheel measuring and recording truck, mounted under the car midway between the end trucks in such a way that it is free to move within wide limits, both vertically and horizontally, relative to the car body, and to tilt or rotate about its longitudinal axis. As these motions are imparted to it by the track, they are transmitted through suitable connections and actuate corresponding pens on the recording table, the magnitude of the variations from straight lines by the pen lines being in direct ratio to the amplitude of the movement of the truck. The truck cannot move longitudinally relative to the car body, nor slue or rotate about its vertical axis, except within very narrow limits.

Since the truck must be free to move laterally or vertically, or to tilt, it is not depended on to carry any of the weight of the car, only sufficient weight being imposed upon it to keep it firmly on the track and to insure stabilization. It is also so attached to the car that when it is displaced laterally, it moves in a straight line and tends to return to its central position under the car.

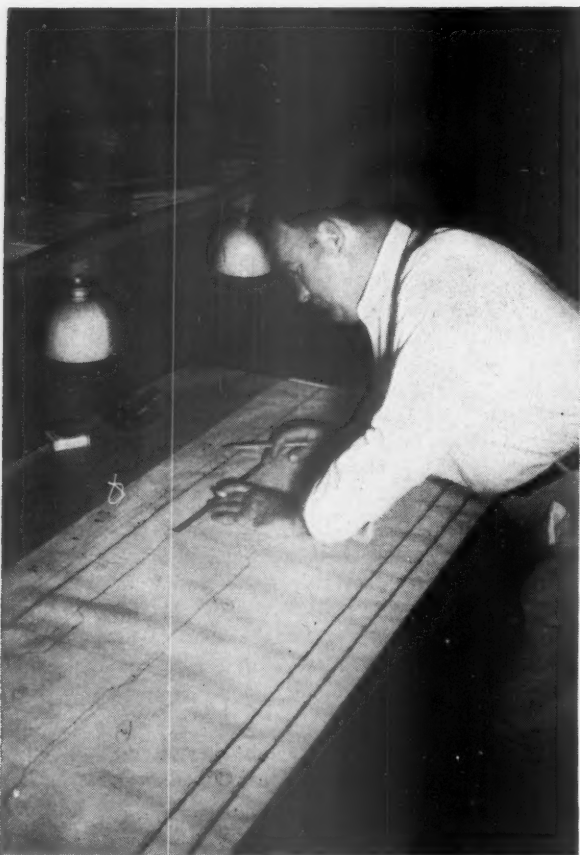
The journal boxes are clamped rigidly to the truck



A section of the record tape, showing the number and character of the pen recordings



All of the motions of the two-wheel measuring and recording truck in the center of the car—vertical, horizontal and tilt—are transmitted through suitable connections to the pens on the recording table



Tallying up the record in one of the office compartments of the car. This is done currently so that each supervisor can be given a complete graphic record of his track before he leaves

frame to insure that there will be no relative movement between them and the frame, as in the conventional type of truck. The reason for this is that the recording devices are attached to the truck frame which, obviously, must follow accurately all variations in the track transmitted to it by the wheels and axle.

The paper tape upon which the record of track conditions is made is driven from the wheels and axle of

the truck by means of a system of gears and shafts, the latter being equipped with universal and telescoping joints to allow for the various movements of the truck.

The tendency of the truck to remain centered is utilized to record curvature. As the car rounds a curve, the recording truck moves laterally, but always hugs the inside rail of the curve. This lateral movement is transmitted to one of the pens on the recording table, displacing it in a fixed ratio to the displacement of the truck. By means of a suitable scale, the degree of curve can be read directly by measuring the distance between the base line and the pen line on the chart.

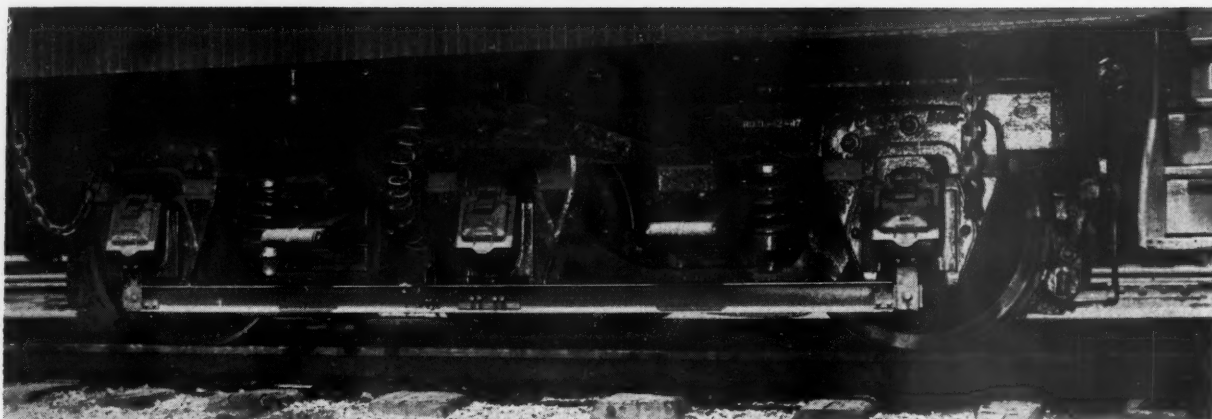
Superelevation on curves and cross level on tangents are obtained by recording the transverse tilt of the truck. This motion is transmitted by means of a shaft and a system of levers, through a gyroscope, to another of the pens on the recording table. A fixed base line is established on the chart by the gyroscope to make it independent of the tilting of the car or truck, and the deviation of the recording pen from this line, measured with a suitable scale, indicates the amount the track is out of level.

Surface variations in the track are measured by the rise and fall of the center truck relative to the car frame. The value recorded at any specific time is the difference in the elevation of the tops of the rails at the recording truck and the rail elevation at the centers of the end trucks.

Low Joints Recorded

Low joints are recorded independently of other surface variations by measuring the rise and fall of the middle pair of wheels in the six-wheel truck at the rear of the car. The motion of each wheel is transmitted by means of an hydraulic system directly to a recording pen, and thus to the tape.

Time and distance are recorded at 20-sec. and 100-ft. intervals, respectively, the former being controlled by a clock, and the latter by suitable electrical contacts in the table drive mechanism. The locations of landmarks and mileposts are recorded by a pen con-



Low joints in each line of rails are measured and recorded independently of other surface variations by the rise and fall of the middle pair of wheels in the six-wheel truck at the rear of the car

trolled by two push buttons, which are operated by observers at outward-projecting observation windows on opposite sides of the car, directly opposite the recording table. The observers identify each landmark by calling out to the operator, who makes suitable rubber-stamp notes on the margin of the tape. For ready reference while running, an electrical speed indicator is provided, but the speed between any given points is subsequently obtained from the time and distance records on the chart.

Lights and Bells Indicate Defects

A panel within the observation end of the car, directly above the rear door, contains a speedometer, a clock, an air pressure gage, and five bull's-eyes—two red, two amber, and one clear—all visible from the observation seats. One amber eye and one red eye are located on each side of the panel, while the clear eye is mounted in the center. Through electrical contact with the recording pen holders, the amber light on one side or the other flashes when a rail joint on the respective side more than $\frac{1}{4}$ in. low is encountered. If the joint is more than $\frac{1}{2}$ in. low, both the amber and red lights flash on the side involved. The clear light flashes for variations of more than $\frac{1}{2}$ in. in surface.

Simultaneously, bells of different tone ring to provide an audible indication of the different light symbols. Low joints and surface irregularities are counted automatically on the recording mechanism table by means of magnetic counters. The car is also equipped with a 110-volt motor-generator which may be used to operate calculating machines, moving picture machines, etc.

Track Forces Get Record Quickly

The operating crew of the Gyro car includes a chief operator and two assistants (Sperry men) and four representatives of the L. & N. engineering department, two of whom act as graders. The other two L. & N. men act as "callers" of landmarks.

Behind the scenes, as the car moves progressively over the road, the two graders, in one of the office compartments of the car, grade sections of the tape

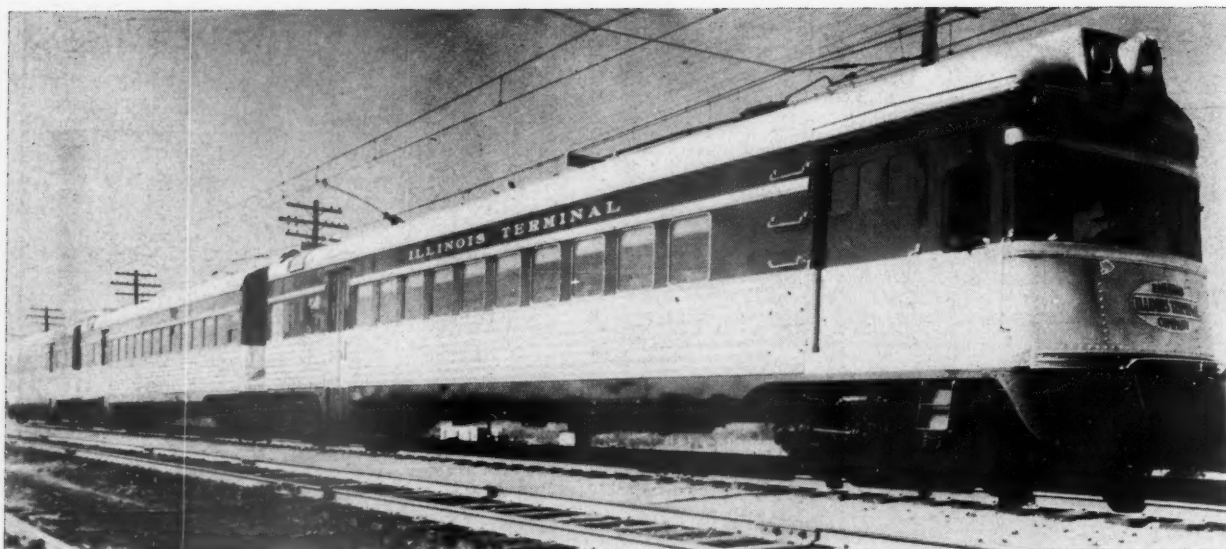
torn from the machine periodically and tally up the score for each section and sub-division. In this they count up demerits due to low joints, and to irregularities above the specified limits in cross level, superelevation and surface, and come up with the answer, tabulated on printed forms, before each supervisor leaves the train. The supervisors are thus given the sections of the record tape covering their respective territories before they get off and, in turn, they distribute proper lengths of the tape to each of their section foremen, who thereby know exactly where to go to work on the bad spots.

In calculating the overall score, low joints count 25 per cent, alinement and cross level each 28.5 per cent, and surface 18 per cent. A perfect mile is one with no joints lower than $\frac{1}{4}$ in.; no alinement or cross-level variation of more than $\frac{1}{8}$ in.; and no surface variation greater than $\frac{1}{4}$ in.

System Rating of 95.26

Gyro testing on the L. & N. has been done biannually since 1942, in the spring and fall. The inspection during the past spring was begun on May 10 and was completed on May 25, after a total of 3,133 track miles had been covered. In this inspection, the Louisville division, of which R. C. Young, Sr., is division engineer, won highest honors for the second consecutive time, with a rating of 97.13. The Cincinnati division, of which I. W. Newman is division engineer, won second place with a rating of 97.08; and the Evansville division, of which J. K. Gloster is division engineer, won third place with a rating of 96.22. The system rating in the inspection was 95.26, which compares with the system rating of 87.26 at the time of the first Gyro testing in March, 1942.

All of the mechanical track inspection on the L. & N. is done under the general direction of C. H. Blackman, chief engineer, and under the immediate supervision of Edward Wise, Jr., engineer maintenance of way. The cost to the L. & N. is about \$1.15 per mile for rental of the car, with operating crew, plus a few incidental expenses, but the road is convinced that it gets full "value received" in better track and greater interest among its employees.



Illinois Terminal Puts Three All-Electric Trains in Service

Power from 600-volt overhead contact system is used for traction, air conditioning, heating, battery charging and auxiliary services

Three new ultra-modern, all-electric trains have been delivered to the Illinois Terminal for operation between Decatur, Ill., Peoria, Springfield and St. Louis, Mo. The cars for these trains, installation of which was announced in the November 20, 1948 *Railway Age*, were built by St. Louis Car Company, and they are powered by General Electric equipment.

Consist of the Trains

Two of the trains consist of three cars each — the first car being a head-end, motor-baggage, reclining chair car; the second having only reclining chairs; and the third being a reserved seat, coach-dinette car. The other train is a two-car train consisting of a head-end, motor-baggage, reclining chair car and a reserved seat coach-dinette car.

The motor-baggage-chair car is 66 ft. 10 in. long overall. The reclining chair car is 65 ft. 4 in. long over coupler pulling faces, and the reserved seat coach-dinette cars are of the same length. All cars have 50-ft. truck centers.

The baggage-passenger and coach-dinette cars each have four traction motors while the coach cars have only two motors each. Traction motors are General Electric 600-volt, d.c. motors with an hourly traction rating of 140 hp. Truck-mounted, the motors drive the

axles through a flexible coupling and a G.E. single-reduction oil-lubricated gear unit.

Each car is equipped with automatic control equipment for multiple-unit operation. A 25-cell battery in each car powers the electro-pneumatic controls. The entire train is controlled from a master controller located at the operator's position in the head-end cars. Switching controllers are provided on the coach and reserved seat cars for operating these cars individually in terminals or yards.

The battery on each car is charged by two G.E. 600-45-volt motor-generator sets arranged for parallel operation. The generator control equipment includes a dynamic voltage regulating relay. By use of a simple equalizing feature, both generators may be operated in parallel on a single bus with essentially equal division of the total load.

All control units are located under the cars and are mounted in dust-tight boxes. All equipment, both traction and control, is readily accessible for maintenance and inspection.

The trains receive their power from a 600-volt power bus line extending through the train. All current is collected from the trolley on the head-end car. This bus line also powers the 600-volt auxiliaries such as air conditioning, overhead heating, lighting and motor-generator sets.

Alexander F. Whitney Dies; Succeeded as B. of R. T. President by W. P. Kennedy

Alexander Fell Whitney, president of the Brotherhood of Railroad Trainmen since 1928, died at his home in Bay Village, Ohio, on July 16. William P. Kennedy, general secretary and treasurer, has been elected president of the B. of R. T. to succeed Mr. Whitney.

Mr. Whitney was born in Cedar Falls, Iowa, on April 12, 1873, and entered railroad service in 1890 as a brakeman with the Illinois Central. He subsequently served in the same capacity for the Fremont, Elkhorn & Missouri Valley (now part of the Chicago & North Western system), the Union Pacific and the C. & N. W. For a while he was a conductor on the last-named railroad. During this period of his career Mr. Whitney became a member of the G. E. Boynton Lodge No. 138, B. of R. T., at Eagle Grove, Iowa. He served as master of that lodge and chairman of its local grievance committee for several years. From 1901 until 1907 he was chairman of the brotherhood's general grievance committee on the C. & N. W. system and, from 1905 until 1907, was also a member of the union's board of trustees. In 1907 he was elected vice-president of the brotherhood, in which position he served until February, 1928, when he was named general secretary and treasurer. In July of that year he was elected to the presidency.

Mr. Kennedy, the new president of the B. of R. T., was born in Huttonville, Ont., on April 3, 1892, and moved to Chicago when he was 10 years old. Seven years later he was working as a news butcher on the Chicago, Rock Island & Pacific between Chicago and Des Moines, Iowa. He first entered train service in October, 1909, as a freight brakeman on the Great Northern. In July, 1910, he joined the Wheat Sheaf Lodge No. 463 of the B. of R. T. at Grand Forks, N. D. Mr. Kennedy resigned from the Great Northern in 1911 and joined the Canadian Pacific as a switchman at Calgary, Alta.

He was next employed as a switchman on the Chicago, Milwaukee & St. Paul (now the Chicago, Milwaukee, St. Paul & Pacific) in February, 1912. In 1913 he transferred his brotherhood membership to Minnehaha Lodge No. 625, Minneapolis, Minn. He served as president and local chairman of that lodge and on January 2, 1920, was elected secretary of the general grievance committee on the C. M. St. P. & P. In April, 1921, he was elected general chairman of the grievance committee, serving in that capacity until June, 1935. At the 1928 convention of the brotherhood Mr. Kennedy was elected to the board of trustees. He also served as secretary of the board of trustees until June, 1935, when he was elected vice-president in charge of the northwest territory of the United States and all Canada west of Fort William, Ont., and Port Arthur. From January 1, 1944, until August 30, 1946,



Alexander F. Whitney

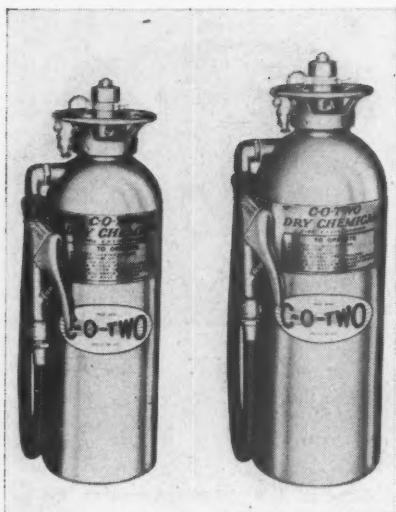
Mr. Kennedy was in charge of the super-promotion department of the brotherhood. He was elected general secretary and treasurer at the 1946 convention in Miami Beach, Fla.

"I pledge that all my efforts shall be made for the interests and improvement of the lot of the railroad men I am privileged to represent," Mr. Kennedy said in a statement released when his election was announced. "I also pledge my strength and ability to a never-ending fight to safeguard and enhance the democracy that makes possible great labor organizations like the Brotherhood of Railroad Trainmen. . . . Anyone who succeeded the late A. F. Whitney would face a momentous challenge, not only because of his record of matchless service to labor and to his country, but also because of the mood and tempo of these times.

"Those who expect a slackening in the fight for a better world for labor and particularly for safer, improved working conditions for members of this brotherhood must be doomed to disappointment," Mr. Kennedy added. "Anyone who studies my record as a rail labor leader for 35 years will find that I don't walk away from a fight when it's for the principles I believe in and the men I represent. Those principles are the same as Al Whitney's. I believe in an expanding, militant brotherhood and that's the way I want to lead it. What are my goals? They include broadening of the Railroad Retirement Act and unemployment compensation law, the 40-hr. work week for men in yard service and corresponding improvements for men in train service. I am also in favor of similar improvements for the men in bus service.

"I favor stricter safety rules and regulations to protect our men and their families," Mr. Kennedy went on. "I am unalterably for repeal of the Taft-Hartley Act. I realize that a weakened, perhaps broken, labor movement would leave its effects on all railroad workers and on the rest of the nation. We will cooperate with all labor and other liberal groups seeking repeal of this unfair law. I will work within the framework of democracy, making every lawful and honorable effort to better the social and economic conditions of labor and of the United States and Canada generally."

New and Improved Products of the Manufacturers



The C-O-Two dry chemical type fire extinguisher is available in two sizes—20 lb. (left) and 30 lb.

QUICK-ACTING FIRE EXTINGUISHER

The C-O-Two Fire Equipment Company, Newark, N. J., has announced the C-O-Two dry chemical type fire extinguisher, a self-contained unit that is said to be highly efficient and easy to operate. The dry chemical used in the extinguisher is claimed to be free flowing, non-conducting, non-corrosive, non-freezing, and non-toxic, and to be highly effective for extinguishing flammable-liquid and electrical fires.

The extinguisher is available in two sizes, one having a capacity of 20 lb. and the other 30 lb. It can be recharged in the field without special tools. The dry chemical for recharging is available in pre-measured 20-lb. and 30-lb. packages, and in a 50-lb. bulk size.

SMALL DIESEL BY F. M.

A small Diesel engine for generating electric current, operating pumps and many other applications, which is said to offer economical, trouble-free service, has been announced by Fairbanks, Morse & Co., Chicago. Designated as the Model 45 and rated at 5¼ hp., the engine is of the heavy-duty vertical type with a four-stroke cycle and solid injection, and has full pressure lubrication.

Other features include a removable cylinder sleeve, a removable cylinder

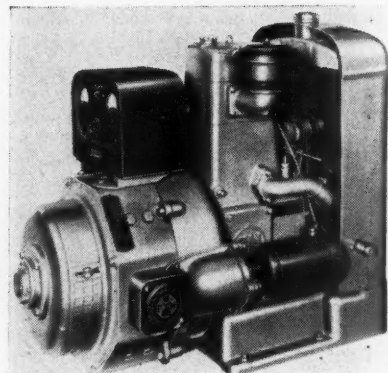
head, an easily accessible injection pump, and a cast alloy iron crankshaft. It is offered with either 12-volt electric starting or manual starting, as desired.

The Diesel is available with a 3-kw., a.c. or d.c. generator set. Special features of the generator set include power-line-failure automatic starting, automatic remote station starting and load-demand starting.

STEAM GENERATOR NEEDS NO LABOR

Railway Supply & Equipment, Inc., Scranton, Pa., is introducing into the railroad field the Amesteam Generator—an oil- or gas-fired, fully automatic steam-producing unit which is said to require no boiler-room labor, need no chimney draft (only a simple vent to the atmosphere), and produce no smoke or soot, and is guaranteed to have a thermal efficiency of more than 80 per cent. Available in boiler capacities ranging from 10 hp. to 400 hp., and in pressures from 15 lb. to 200 lb., the Amesteam Generator has a wide variety of railroad applications, such as the heating of stations, shops and other buildings, sand drying, Diesel deicing and many others. It is manufactured by the Ames Iron Works, Oswego, N. Y. Railway Supply and Equipment, Inc., is exclusive distributor in the railroad field.

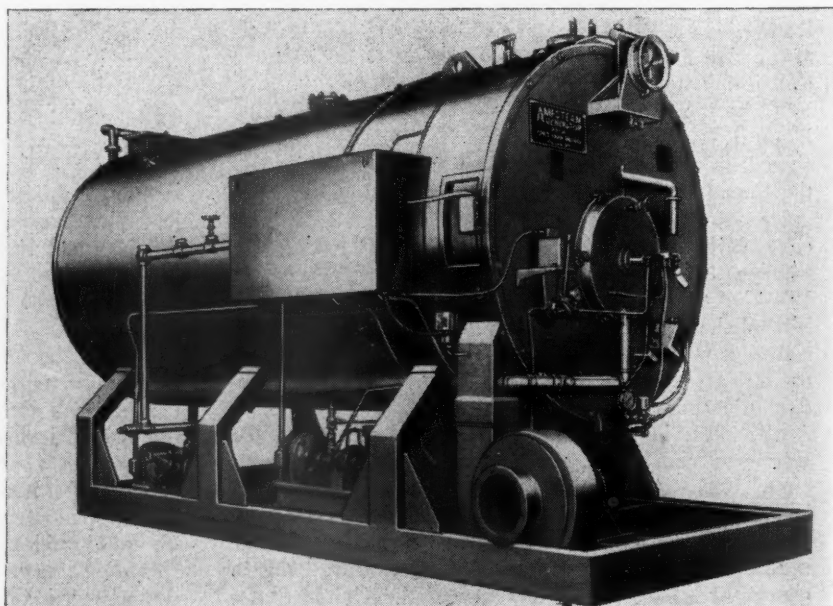
The unit is a modified type of Scotch marine boiler, baffled in such a way that



The Fairbanks, Morse 5¼-hp. Diesel engine, Model 45

all refractories are backed up with heavy steel supports, and so designed that it may be easily opened for inspection or cleaning, or for repairs. Combustion in the generator takes place under positive pressure, which aids in breaking down the fuel into a gas and mixing it thoroughly with the oxygen of the air. The air, moving at a velocity of more than 200 m.p.h., is introduced tangentially at two points, in the combustion chamber.

All Amesteam generators are hydrostatically tested for pressure, and are fire tested at the factory to correct fuel and air settings. When delivered, therefore, they are completely assembled and ready for operation. With this generator it is said to be possible to produce steam at a cost of 75 cents to 76 cents per 1,000 lb.



A 150-hp. Amesteam generator

GENERAL NEWS

I. C. C. Dismisses Per Diem Complaints

Finds \$1.50 rate neither unreasonably high nor low

The Interstate Commerce Commission has dismissed the two per diem complaints with findings that the assailed charges for the use of freight cars, when on the lines of railroads other than their owners, had not been shown to have been unreasonably high, and that the present per diem rate of \$1.50 had not been shown to be unreasonably low. The commission's decision, in No. 29587 and embracing also No. 29751, followed, generally the proposed report made by Examiner Claude A. Rice, as noted in the *Railway Age* of August 21, 1948, page 61.

The Issues Involved

The complaint in No. 29587 was filed by a group of short-line railroads and prosecuted in their behalf by the American Short Line Railroad Association. It assailed per diem rates which have been in effect since February 1, 1945, and asked the commission to prescribe a rate of 95 cents or such other basis as it might find just and reasonable and to award reparations. Four roads, named as defendants, intervened in support of this complaint; they were the Boston & Maine, the New York, New Haven & Hartford, the Central of New Jersey, and the Upper Merion & Plymouth.

The complaint in No. 29751 was filed by six western roads. It alleged that the present per diem rate is too low and asked the commission to prescribe a "just, reasonable, and compensatory rental." Parties to this complaint were: Atchison, Topeka & Santa Fe; Illinois Central; Chicago, Burlington & Quincy; Northern Pacific; Great Northern, and Denver & Rio Grande Western. They contended that the formula employed in determining the present rate did not embrace "all matters that properly should be considered," and their specific request was for a rate of \$2.50 in periods of car shortage and \$2 in other periods. Two years ago, the commission undertook to prescribe a \$2 rate on the basis of a finding that it would "promote greater efficiency in the use and increase the supply of freight cars"; but its order was set aside by the courts (see *Railway Age* of November 29, 1947, page 38).

In reviewing evidence as to car-ownership costs on which the rental charge

should be based, the commission's present report stated generally that there was "rather a wide zone of reasonableness within which the carriers may establish a lawful per diem rate." The evidence included six studies which calculated costs of car ownership in recent years at amounts ranging from 95 cents per day to \$2.22.

The present per diem rate of \$1.50 was based on a study by the Association of American Railroads, which showed a 1947 ownership cost of 150.5 cents per day. This was an average of results obtained on two different bases—one employing the reproduction cost of freight cars owned and the other the ledger value (original cost) of such cars; and it did not include the cost of wage increases which became effective in September and November, 1947. The commission did not set out a formula of its own, but its comments on evidence relating to various elements of car-ownership costs indicated its views as to how those elements should be adjusted and used in determining the per diem rate. Adjusting the A.A.R. figures in accordance with such views and allowing for wage increases and other higher costs occurring in the latter part of 1947, the commission put the 1947 ownership costs at 196.26 cents per day.

Among other adjustments made by the commission was its use of 80 per cent as the ratio of active cars to total cars, whereas the A.A.R. had used 86.15 per cent. The latter was based on a 10-year average, but the commission took a 20-year average, having found the evidence "persuasive" that an active-car divisor "reflecting average age, now approximately 20 years," would produce the most accurate results. The parties were in general agreement that "active cars," which exclude surplus and bad-order equipment, should be employed in computing the average costs per day; but there was considerable difference of opinion as to whether the "active-car" figure should be for a single year or the average of a period of years.

As noted above, the commission preferred a period reflecting the average age of cars. As to the single-year basis, it pointed out that the A.A.R. had defended its 10-year average by arguing that "if active cars for a single year be used, the per diem rate would be relatively low in periods of heavy traffic and urgent demand for cars, since the aggregate annual cost of ownership would be distributed among a very large number of units, while in periods of light traffic, lower earnings, and large car surplus, the per diem rate might have

to be increased in order to cover average costs of ownership and maintenance due to the distribution of such costs among a much smaller number of active cars."

"The use of an active-car divisor predicated on average age," the commission's report said later on, "would result in the maintenance of a relatively high per diem rate when traffic is heavy and cars are in urgent demand, and a per diem rate relatively low when traffic is light and many thousands of freight cars are idle, since, for example, if a ratio of 80 per cent were employed the per diem rate would be comparatively high when the ratio exceeded 80 per cent and comparatively low when the ratio fell below 80 per cent. This seemingly desirable result is apparently one of the objectives aimed at by the A.A.R. and supported by a great majority of the car owning railroads. As early as 1907, more than 40 years ago, we suggested the establishment of a higher per diem rate when cars are most needed than when traffic is light. . . . The use of a divisor reflecting an average number of cars during a representative period of years would conform to the long established practice of fixing a per diem rate based on average costs, rather than on ages, sizes, classes, or values of particular cars."

Cost Studies Considered

In discussing the elements of cost entering the A.A.R. formula, the commission referred to the fact that the switching costs were based on \$16 per engine hour whereas the complaining western roads said that their switching costs were about \$24.51 per hour. "This feature should be restudied by the carriers if and when costs for later periods are compiled," the commission added.

The other five cost studies reviewed in the report included one prepared sometime ago by the commission's Bureau of Transport Economics and Statistics and introduced in evidence by the Short Line Association, which also offered a separate study of its own. The other three were those of the Southern Pacific, the Union Pacific, and the six western roads which sought to have the per diem rate raised.

Comment by the commission on the short lines' complaint that the rate has been too high included reference to evidence indicating how car-rentals payments by those complainants are reduced as a result of arrangements with trunk lines which allow the short lines the use of per diem cars free of charge for specified periods of time per loaded car interchanged. The cited evidence

showed that the per diem expense incurred by 212 short lines during the 28 months ended May 31, 1947 (when the per diem rate was \$1.15) averaged 53 cents per car per day. "Those with taxable income may deduct therefrom their respective debit per diem balances and recoup, through savings in federal income taxes, a substantial part of such balances," the commission also pointed out.

The report was accompanied by a concurring-in-part expression from Commissioner Alldredge and a dissent from Commissioner Miller. Notations stated that Chairman Mahaffie concurred "in the result" of the majority decision and that Commissioner Cross did not participate. Commissioner Alldredge's "difficulty" with the majority report, as he put it, "is its assumption of jurisdiction over per diem charges in the past, although it finds no basis in fact for an award of reparation." He does not think the commission possesses "any determinative authority to pass upon the reasonableness vel non of per diem charge collected in the past."

Commissioner Miller objected to the majority report's failure to prescribe a formula for determining lawful per diem charges for the future. He said that the record contained "sufficient data for that purpose," and the parties, "while disagreeing as to its nature, favor a formula." The commission's Bureau of Transport Economics and Statistics developed such a formula, differing in some respects from its earlier one which the Short Line Association used. That new bureau formula was set out in an appendix to Examiner Rice's proposed report, but it was not reproduced in the commission's report.

Higher Costs Require Higher Fares, Eastern Traffic Men Say

"The fundamental reason" for increasing deficits from passenger operations "is the ever-increasing expenses," E. D. Osterhout, passenger traffic manager of the Reading, told Interstate Commerce Commissioner John L. Rogers and co-operating state commissioners in the course of continued hearings at Brooklyn, N. Y., on the application of nearly all Eastern railroads for a 12½ per cent increase in both one-way and round-trip coach and Pullman passenger fares.

Mr. Osterhout, describing his company's passenger traffic as "predominantly short-haul," said in part that "Our peace-time patronage has not receded to pre-war conditions; consequently, our concern is to obtain increased receipts from existing traffic to meet the rising costs. . . . There is no magic formula for reducing our expenses . . . and the only method of coming closer to a balance is to have patrons pay a more equitable amount toward the new high costs. We do not see how we can afford to continue to sell our product at 'basement' prices when that product is becoming so ex-

pensive to make available to our patrons."

Similar testimony, that "further upward adjustment of basic passenger fares is a necessary step in an effort to reduce as much as possible these continuing deficits," was presented at the same hearings by Henry F. McCarthy, vice-president, traffic, of the New York, New Haven & Hartford.

Both witnesses described — as had passenger traffic officers of other Eastern railroads—efforts being made by their respective companies to make passenger service more attractive to the traveling public, through provision of improved equipment and faster and more convenient scheduling of trains; and attempts to reduce expenses by elimination or consolidation of unprofitable trains.

Neither Mr. Osterhout nor Mr. McCarthy expressed apprehension over diversion of passenger traffic to competing agencies of transportation if the fare increase should be granted. Post-war passenger traffic indicates, Mr. Osterhout said, that "the increases in fares since the prewar period have not retarded the growth of our business." "Our patronage will go up or down in any event," he added, "according to industrial and economic conditions." The average fare increase on the Reading, he said, would be only 7.3 cents per passenger, and in most cases only 5 cents, and he did not think "these few additional pennies per trip will influence the volume of our traffic."

As Mr. McCarthy put it: "With so many variables working, such as economic conditions over which we have no control, as well as service, equipment and schedules, there is no certainty as to the amount of diversion that may occur

in the future. If many of these factors are favorable, we can look for very slight diversion."

Other testimony in the proceeding—I. C. C. Docket No. 30256—was reported in the *Railway Age* of July 16, page 59.

This week, in another hearing at New York, the Hudson & Manhattan, which is seeking a five-cent increase in its New York-New Jersey tube fare, presented to I. C. C. representatives evidence to show that it has lost nearly half of the 113 million passengers it carried in 1927, its best year. John J. Fritsch, H. & M. comptroller, estimated 1949 traffic at 61,500,000 passengers; and said the company had recently been forced to use profits from real estate operations to meet interest on obligations attributed to railroad operation.

RRs Can Afford Extra Fireman, Says B. of L. F. & E. Witness

In 1947 Class I railroads paid an average of 26.7 cents for the coal necessary to produce 1,000 gross ton miles, whereas the cost of the fuel necessary for Diesel-electric locomotives to produce 1,000 gross ton miles was only 12.2 cents, Horace A. Bacus, a witness for the Brotherhood of Locomotive Firemen & Enginemen, told a three-man Presidential "fact-finding" board in New York on July 15. The board has been holding hearings since June 27 on the brotherhood's request for, among other things, an extra fireman on Diesel-electric locomotives (see *Railway Age* of July 2, page 45).

Because of the difference in fuel costs, Mr. Bacus added, the use of Diesel-electric motive power in 1947 saved the railroads \$29,600,000. These savings, he



Visiting Canada and the United States to familiarize himself with the electrified operations of railroads on this continent, F. W. Aickin, general manager of the New Zealand Government Railways (right), is shown in the office of S. F. Dingle (left), assistant vice-president, operations, Canadian National, Montreal, Que., examining on a chart the electric lines of the C.N.R. in and out of Central station. In the center is J. A. Malcolm, New Zealand Trade Commissioner. Mr. Aickin's visit follows by a few months the tour of Canada made by a mission of four New Zealand railroad officers as a forerunner of a large electrification program contemplated by the railroads in that country

said, are being passed on to holders of railroad stocks in the form of increased dividends and not to railroad employees, passengers or freight customers. Because the displacement of steam motive power by Diesel-electric motive power has reduced operating costs, the witness continued, railroads have the money to pay for two firemen on each Diesel-electric locomotive.

Howard Neitzert, counsel in the case for the railroads, said on July 19 during his cross-examination of Mr. Bacus, that there were "quite a few errors" in the union's exhibit on the comparative costs of fuel for steam and Diesel-electric locomotives. One error, he explained, was the exhibit's failure to indicate that many steam-powered locomotives use oil for fuel. Any study of relative fuel costs would be distorted if this factor were not taken into account, Mr. Neitzert said. Also, he added, the union's exhibit indicates that "if the Pennsylvania were completely Dieselized" it could operate its locomotives "without any fuel costs at all."

As this issue of *Railway Age* went to press, R. A. Pike, of Portage, Wis., employed by the Chicago, Milwaukee, St. Paul & Pacific as a traveling engineer, was giving testimony for the union on "the nature of the duties and the actual work performed by the fireman on a Diesel-electric locomotive."

Lea Urges "Strengthening of Transportation System"

"Strengthening of the nation's transportation system so that it may continue in private ownership for the public benefit" was urged by Clarence F. Lea, former chairman of the House committee on interstate and foreign commerce, in an address prepared for delivery to the organization meeting of the Transportation Association of America's Northern California-Nevada regional advisory forum at San Francisco, Cal., on July 21. Mr. Lea, now director of governmental relations for the T. A. A., was making his first public address since his voluntary retirement from Congress after 32 years of service as a member of that body.

He pointed out that most forms of transportation have been in constant financial difficulty, and predicted that any substantial decline in the over-all volume of traffic would drive important segments of the transportation industry into bankruptcy. That, he said, would lead to government ownership.

"The natural evolution of the government ownership of rail lines would carry competing agencies into government operation: when we do that we follow the example of England," he added. "When we reach that stage, we will know that America has decided to take a fling at another form of government. . . . Our standard of living is a monument to the success of the free enterprise system."

Mr. Lea also recited the great difficulties under which all forms of transporta-

tion are operating, and declared that governmental policies of regulation need overhauling if transportation is to be placed on a sound basis.

More than 200 business, farm and civic leaders from northern California and Nevada heard Mr. Lea at the luncheon meeting, sponsored jointly by the T. A. A. and the San Francisco and Oakland chambers of commerce to launch the association's regional forum — one of 21 being developed in all parts of the country as part of the association's program to develop sound national transportation policies to assure successful transportation in the public interest.

A similar forum for southern California and Arizona will be organized on July 27 at a luncheon at the Biltmore Hotel in Los Angeles. Mr. Lea also will be the principal speaker at that meeting, which will be sponsored jointly by the T. A. A. and the Los Angeles chamber of commerce.

Chicago Committed to Central Delivery of Livestock

Because the extension of such a service to other Chicago packers that might demand it would "seriously interfere with, delay and disrupt" the Chicago Junction's operations, the Interstate Commerce Commission has refused to require that road and its trunk-line connections to enter joint arrangements for delivery, without charge in addition to line-haul rates, of livestock shipments to a new plant which Swift & Company proposes to build in the Chicago stockyards area. At the same time the commission also refused to approve a Junction proposal to go out of the business of handling livestock shipments in its switching services, except those to and from chutes and sidings of the Union Stock Yards.

The decision, in No. 29809, which also embraces I. & S. No. 5543, drew a lengthy dissent from Commissioner Alldredge; Commissioners Johnson, Mitchell and Cross did not participate. As dissenter Alldredge summarized the majority report, it authorized an extra switching charge to deliver livestock at Swift's plant (deliveries at Union Stock Yard facilities being under line-haul rates) "on the ground that such additional compensation is justified by reason of an increased congestion of the yard operations and facilities." That determination, Mr. Alldredge continued, introduced into the field of railroad regulation a "novel" theory under which "the tendering of shipments of any kind to a railroad in excess of the capacity of its regular train schedules might well give rise to the assessment of an extra charge on the surplus shipments."

Swift's new plant will be located along the Junction's lines in an area connected with Union's yards by a network of overhead runways, tunnels, and viaducts which are owned and maintained by Union and used to drive livestock from its facilities to the slaughter-

ing floors of the packers. Swift now has a plant on a site adjacent to that on which the proposed new plant is to be built, but the present plant has no tracks or other facilities for receiving livestock shipments. Meanwhile, however, Swift has avoided using Union's facilities for the receipt of livestock, except that which it purchases at the yards. Shipments consigned direct to Swift are received at unloading pens that formerly served a plant of its subsidiary, the Omaha Packing Company, which was destroyed by fire in 1932 and never rebuilt. These pens are located on the Chicago, Burlington & Quincy, which makes deliveries at them under the line-haul rates, and the livestock is then trucked by Swift 2.5 miles to its present plant.

The proposed new plant "will have substantial facilities for unloading livestock brought in by rail or truck and adequate holding pens," the commission said. Line-haul rates on carload freight other than livestock will include delivery there, just as they now include delivery of such "dead freight" at the present plant. The commission's refusal to require the establishment of like arrangements for delivery of livestock shipments was based on its review of evidence offered by the defendant railroads in support of their contentions that Swift's proposal "would result in serious delay to shipments of livestock consigned to the Union Stock Yards and the return of empty cars as well as to shipments of dead freight for other industries in the switching district."

The commission noted at the outset that, although Junction publishes a charge for switching livestock shipments, it has "never, except in an emergency," handled such shipments in switching services. Its lines are used to reach the facilities of Union Stock Yards, but the line-haul roads operate the livestock trains direct to the unloading chutes. The commission further explained that the unloading operation is a fast one, and the empties are pulled out immediately to the line-haul carriers' home yards. This method of handling, the commission added, "does not burden Junction's receiving and delivery yards with either loaded or empty livestock cars." Other discussion in the report indicated the commission's agreement with Junction's view that it would require additional yard facilities if it were required to handle livestock shipments; and the report also conceded that "there is no land available for the expansion of those yards or the building of additional facilities nearby."

Centralized Delivery 70 Years Old

Also emphasized by the commission was the fact that the present method of making "centralized delivery" of livestock at Union's facilities has been in effect for about 70 years. "As a result," the report continued, "the Junction's main tracks, its yards and subyards and their tracks, are peculiarly designed and fitted for the operations and service des-

cribed, and any change, particularly as contemplating deliveries of livestock to the plants of the packers, would . . . require a conflicting use of such yards and tracks. . . ."

The commission's view that the proposed service to the new plant would not be comparable to the service at Union's facilities or the Burlington's service to Swift's present unloading pens was summarized in the report as follows: "The transportation services, conditions, and circumstances connected with deliveries at the Omaha plant pens are substantially dissimilar from those connected with the delivery here sought. There, the unloading chutes are on the rails of a line-haul carrier, outside the stockyard congested area, and the delivery made by that carrier is nothing more than a simple switch. . . . The transportation services, conditions, and circumstances connected with deliveries by the line-haul carriers at the unloading chutes of the Union Stock Yards. . . . also are substantially dissimilar from the private track delivery sought."

The Junction's proposal to go out of the business of switching livestock shipments, except those to and from Union's facilities, was dismissed by the commission with only brief comment. The proposal was embodied in the suspended tariffs which were the basis of the I. & S. No. 5543 proceeding. "The published switching charge (4.8 cents per 100 lb. at the time of the hearing) is appropriate for any switching that may occur of cars of livestock to complainant's proposed plant," the report said. "It does not appear that the maintenance of a switching charge for livestock will have any detrimental effect upon terminal operations."

Commissioner Alldredge's dissenting opinion noted that the Junction and Union Stock Yard & Transit, owner of other trackage facilities in the stockyards area, are "principally owned and controlled" by the Chicago Stock Yards Company, which also owns the Union Stock Yards. The facilities of Junction and Union Stock Yard & Transit are now being operated under lease by the Chicago River & Indiana, subsidiary of the New York Central. The owners of the stock yards "have a substantial interest in the facilities which are to serve Swift at the plant which it proposes to build," Mr. Alldredge continued; and he proceeded to make much of a provision in the lease covering the C.R.&I.'s operation of the Junction and U.S.Y.&T. facilities which stipulates that the lessee is to "conduct, manage, and operate the line of railroad . . . and insofar as possible to conduct the same in such manner as will tend to the benefit, advantage and behoof of the business and affairs of the [Union Stock] yards."

This provision seemed to Mr. Alldredge to bring the proceeding "within the orbit of the decision of the Supreme Court in *United States v. Baltimore & O. R. Co.*, 333 U.S.169." That case, he recalled, brought into issue a contract provision governing the use by the New York Central of a track belonging to the Cleveland (Ohio) Union Stock Yards Company. The provision barred use of the track for traffic which was competitive with the stockyards, and it was interpreted by the parties as prohibiting the transportation of livestock to and from a Swift plant. Upholding a commission decision, the Supreme Court struck down the provision on the ground, as Mr. Alldredge summarized

its finding, "that a common carrier cannot contract so as to impair its ability to discharge its responsibilities as a common carrier." (See *Railway Age* of March 27, 1948, page 67.)

Meanwhile, the commission's majority report had also referred to the lease provision involved, recalling that the commission's approval of the lease was subject to several conditions designed to insure that the Junction and the C.R.&I. would be operated "as neutral terminal carriers." The conditions, the commission added, "were and are broad enough to inhibit operation of the Chicago Junction to the special advantage and interest of the Union Stock Yards." Dissenter Alldredge said that none of the conditions refers in any way to the provision which he called a "special covenant." He went on to say that the covenant was "buried" among other provisions of the lease; and that "it could not have been consciously passed upon by the commission."

S. F. Gets Relief from Signal Order; "Q" Petition Denied

While denying the Atchison, Topeka & Santa Fe's request for authority to operate passenger trains over three sections of its California lines at a maximum speed of 85 m.p.h. without installing automatic train-stop or cab-signal systems, Division 3 of the Interstate Commerce Commission has granted that road some of the relief it sought from requirements of the commission's June 17, 1947, order in the No. 29543 proceeding. That order requires railroads to install automatic or manual block signal systems on lines over which any passenger train is operated at a speed of 60 m.p.h. or more, or any freight train at 50 m.p.h. or more, and automatic train-stop or train-control systems or automatic cab-signal systems on lines over which any train is operated at a speed of 80 m.p.h. or more.

Division 3's report was by Commissioner Patterson. The relief granted gave the Santa Fe another year beyond December 31, 1951, within which to complete its program for compliance with the order; it postponed until "further order of the commission" requirements of the order insofar as they call for installation of automatic train-stop devices on Santa Fe freight locomotives; and it exempted the road from the use of the order's definitions of "medium speed" and "low (restricted) speed."

The extra year to complete the required installations was granted on the basis of the Santa Fe's showing that it would be "sound economics" to complete first the traffic control installation under way on its 73.8-mi. line between Canyon, Tex., and Texico, N. M., and that planned for its 106.6-mi. line between Wellington, Kan., and Waynoka, Okla. In postponing the order's requirements as to automatic train-stop devices on freight locomotives, the commission said that, while such installations on passenger



The Northern Pacific Transport Company (subsidiary of the N. P.) is operating this combination bus and truck out of Billings, Mont., to supplement short line rail service. The vehicle accommodates 17 passengers and provides freight-carrying space measuring 18 ft. by 8 ft. F. R. Meehan, superintendent of N. P. Transport, is credited with the original idea, which was developed by engineers of the Kenworth Motor Truck Corporation, Seattle, Wash.

locomotives only "will not give the maximum protection that a train-stop system provides," they will "afford greater protection for all movements except where a freight train overtakes a stopped passenger train." As to the exemption from use of the speed definitions, the commission said it is now giving consideration to a revision of those definitions.

The California lines over which the Santa Fe wanted authority to operate passenger trains at a maximum speed of 85 m.p.h. without installing automatic train-stop or cab-signal systems, are between Barstow and Mojave, 71.6 mi.; between Bakersfield and Stockton, 233.7 mi.; and between Santa Ana and Sorrento, 73.3 mi. The commission's refusal to grant this relief was in line with carrier decisions wherein it has refused to grant similar relief to the Great Northern and Union Pacific (see *Railway Age* of March 19, page 99, and May 7, page 63).

Another adverse decision by Division 3 on a similar petition of the Chicago, Burlington & Quincy was issued by the commission along with the foregoing decision in the Santa Fe case. The Burlington sought authority to operate its "Denver Zephyrs" between Lincoln, Neb., and Denver, Colo., 483 mi., at speeds in excess of 80 m.p.h. without installing an automatic train-stop or cab-signal system. Commissioner Miller noted his dissent to the division's report in this case, while in the Santa Fe case he filed a brief concurring-in-part expression. There he approved of the relief granted, but would have granted the petition in its entirety.

Work on Rail Classification Prompts Action by Truckers

A "general revision" of the National Motor Freight Classification is being proposed by the trucking industry's National Classification Board, according to a July 18 announcement by C. F. Jackson, director of American Trucking Associations' Traffic Department. The announcement, issued by A.T.A., explained that plans to effect the revision were initiated "partly" because of the "approaching competitive situation," i.e., the situation which is expected to develop when the railroads publish the uniform classification they are required to establish by the order issued by the Interstate Commerce Commission after its investigation of the matter in the No. 28310 proceeding.

The proposed revision of the motor classification is embodied in the National Board's Special Docket No. 1, which was released on July 20. As summarized in the A.T.A. announcement, the docket provides "a basis for consideration of virtually all classification provisions," and carries "essentially the same proposals as those embodied in four dockets now under consideration by the railroad committee on uniform classification." The board has scheduled public hearings on the docket as follows: Atlanta, Ga., August 3; Washington, D. C., Aug-

ust 8; Dallas, Tex., August 11; Los Angeles, Cal., August 15; Portland, Ore., August 19; Chicago, August 22, and New York, August 29.

"It is recognized," the A.T.A. announcement also said, "that the Interstate Commerce Commission has long advocated uniformity on a national scale, although the I.C.C. order now effective against railroads in that respect is not expressly binding on motor carriers. The forthcoming revised railroad classification will reflect the order of the Interstate Commerce Commission requiring territorial uniformity in ratings, which appears to be a desirable objective with respect to the Motor Freight Classification, and which in all probability will ultimately be required by the commission, if not carried out voluntarily."

Milwaukee Opens Passenger Station at Sioux City

The Chicago, Milwaukee, St. Paul & Pacific, on July 14, officially opened its Sioux City (Iowa) passenger station which has been completely remodeled at a cost of \$250,000. The two-story building, 42-ft. by 106-ft., has on its first floor the waiting room, ticket and traffic department offices, lunch room, lounge and toilet facilities. The second floor is devoted to a general office, offices for an assistant superintendent, chief dispatcher, train dispatcher and telegraph operators, and locker room and toilet facilities for engineers and trainmen in passenger service.

Platforms, driveways and paving in track areas are new, as are floodlights on 50-ft. steel towers at each end of the station. Marquees are provided over the track-side and Douglas Street entrances, and parking areas for patrons' automobiles have been greatly expanded. An automatic system provides heat for both the station and train cars parked adjacent thereto.

A "Milwaukee Road Day" luncheon

was given by the Sioux City Chamber of Commerce in connection with the dedication of the station. C. H. Buford, president of the Milwaukee, addressed the luncheon group, pointing out that the new building was paid for out of railroad funds taken in "Over the counter" for transporting persons and property. He emphasized that, if the subsidized transportation agencies were required to pay their own way, the true cost of their services would be borne by their users rather than shifting part to the taxpayers.

"According to reports to the Interstate Commerce Commission by the common carrier truckers in 1948," Mr. Buford said, "they paid five per cent of their gross revenues for taxes and licenses. For facilities the Milwaukee Road uses, corresponding to the highway for the trucks, we paid 22 per cent of our gross revenues."

When public facilities are used for commercial purposes, declared the Milwaukee president, a proper and adequate "use" charge should be paid. It would be possible, he said, for the competition of subsidized transportation to so undermine America's railroads that the government would have to take them over.

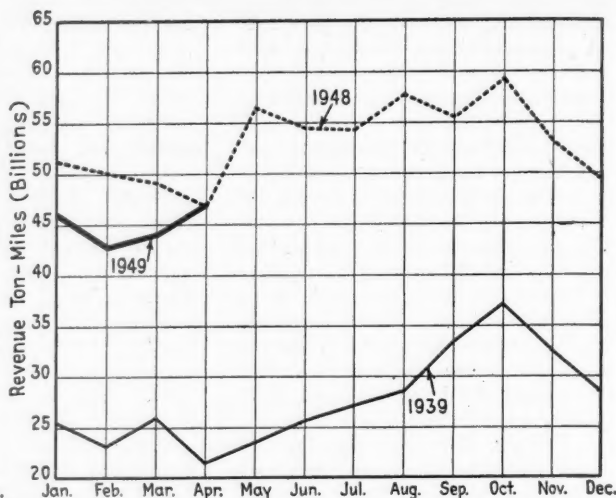
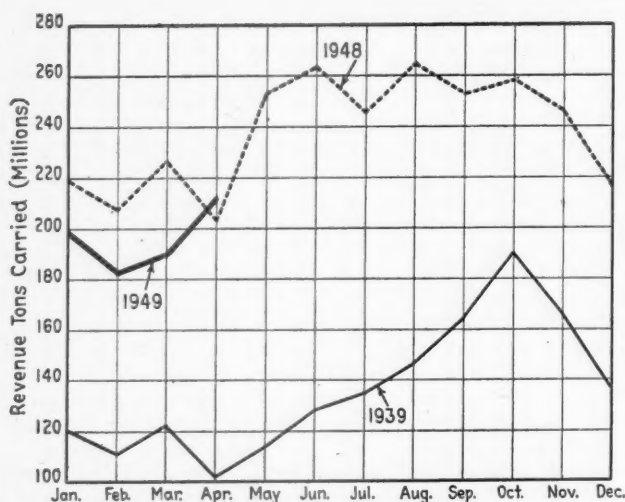
"This is more than a railroad problem—it is a national problem and one that may have far-reaching effects on our national life because railroads today are the keystone of our private enterprise system. It is my hope that public interest will force an adjustment in the relationship between the various types of transportation so that each can operate profitably in its proper field and under private management."

Freight Car Loadings

Loadings of revenue freight in the week ended July 16 totaled 724,100 cars, the Association of American Railroads announced on July 21. This was an increase of 128,779 cars, or 21.6 per cent, over the previous week, a decrease of 167,980 cars, or 18.8 per cent, under



The completely remodeled passenger station of the Chicago, Milwaukee, St. Paul & Pacific at Sioux City, Iowa



Revenue Tons and Revenue Ton-Miles—1949 Compared with 1939 and 1948

the corresponding week last year, and a drop of 195,635 cars, or 21.3 per cent, under the equivalent 1947 week.

Loadings of revenue freight for the week ended July 9 totaled 595,321 cars, and the summary for that week as compiled by the Car Service Division, A.A.R., follows:

| REVENUE FREIGHT CAR LOADINGS For the week ended Saturday, July 9 | | | |
|---------------------------------------------------------------------|---------|---------|---------|
| District | 1949 | 1948 | 1947 |
| Eastern | 98,026 | 124,049 | 137,646 |
| Allegheny | 115,242 | 157,070 | 176,686 |
| Pocahontas | 34,903 | 56,692 | 34,052 |
| Southern | 84,741 | 113,113 | 114,103 |
| Northwestern | 109,590 | 115,174 | 136,873 |
| Central Western | 101,775 | 123,406 | 136,057 |
| Southwestern | 51,044 | 65,596 | 71,700 |
| Total Western Districts | 262,409 | 304,176 | 344,630 |
| Total All Roads | 595,321 | 755,100 | 807,117 |
| Commodities: | | | |
| Grain and grain products | 70,192 | 62,757 | 70,225 |
| Livestock | 7,153 | 7,593 | 11,402 |
| Coal | 78,181 | 158,008 | 102,709 |
| Coke | 8,481 | 12,115 | 12,306 |
| Forest products | 24,074 | 38,871 | 44,706 |
| Ore | 75,188 | 76,156 | 85,537 |
| Merchandise l.c.l. | 71,581 | 84,202 | 109,871 |
| Miscellaneous | 260,471 | 315,398 | 370,361 |
| July 9 | 595,321 | 755,100 | 807,117 |
| July 2 | 644,182 | 757,278 | 629,204 |
| June 25 | 802,941 | 888,368 | 846,141 |
| June 18 | 649,351 | 906,631 | 901,296 |
| June 11 | 808,156 | 906,633 | 895,292 |

Cumulative total 27 weeks

In Canada.—Carloadings for the week ended July 9 totaled 72,936 cars, as compared with 62,056 cars for the previous week, and 76,558 cars for the corresponding week last year, according to the compilation of the Dominion Bureau of Statistics.

| | Revenue Cars Loaded | Total Cars Rec'd from Connections |
|-------------------------------|---------------------|-----------------------------------|
| Totals for Canada: | | |
| July 9, 1949 | 72,936 | 25,588 |
| July 10, 1948 | 76,558 | 27,211 |
| Cumulative totals for Canada: | | |
| July 9, 1949 | 1,948,643 | 864,062 |
| July 10, 1948 | 2,010,863 | 945,537 |

Urges Truman to Recommend Repeal of Fare Tax, Too

The Federation for Railway Progress has congratulated President Truman on his recent recommendation for repeal of the tax on amounts paid for the trans-

portation of goods, and has urged him to take similar action with respect to the 15 per cent tax on passenger fares. The President's call for repeal of the tax on freight transportation was embodied in his Midyear Economic Report submitted to Congress on July 11. (See *Railway Age*, July 16, page 80.)

The F.R.P.'s congratulations were carried in a June 18 telegram which its president, Thomas J. Deegan, Jr., sent to Mr. Truman. The text of the telegram follows:

"Your forthright recommendation for elimination of the tax on the transportation of goods deserves the appreciation of every American. This levy works unnecessary hardships on the American consumer in the form of higher prices on almost every necessity he buys and on shippers and carriers as well. The Federation for Railway Progress extends its heartiest congratulations on your action. In the interest of national defense, the 15 per cent tax on the transportation of passengers should likewise be eliminated. This levy discourages passenger travel and weakens an essential adjunct of our armed forces. While we make vast expenditures for national defense, the railway passenger industry which carried 97 per cent of our troops in wartime is losing more than one-half billion dollars annually. We sincerely hope that you and your administration will give full consideration to this important matter."

"Holdout Ops" Appeal 1948 Strike Ban to Supreme Court

Railroad unions involved in the May, 1948, strike threat, the so-called "holdout ops," have again carried to the United States Supreme Court their appeal from the injunction which barred their proposed walkout after the government had seized the railroads. The unions are the Brotherhood of Locomotive Engineers, the Brotherhood of Locomotive Firemen & Enginemen, and the Switchmen's Union of North America.

The injunction was obtained by the

government from Justice T. Alan Goldsborough in the United States District Court for the District of Columbia. After the unions and management settled their wage and rules dispute, the government relinquished control of the roads; and the Department of Justice moved for dismissal of the injunction. Judge Goldsborough denied the motion, thus upholding the brotherhoods' contention that they should have full opportunity to test the injunction's legality in appeals to higher courts.

The government appealed to the United States Court of Appeals for the District of Columbia, and the brotherhoods countered with a maneuver whereby they undertook to by-pass that court. That was their first appeal to the Supreme Court where they filed a petition asking that tribunal to rule directly on the Goldsborough injunction. The Supreme Court denied the petition, thus leaving the case for determination by the Court of Appeals. The latter, ruling in favor of the Department of Justice, dismissed the injunction because the controversy "has become moot." The present appeal of the brotherhoods is an undertaking to have the Supreme Court upset that Court of Appeals ruling.

Judging of "Most Beautiful Bridge" to Be September 14

The American Institute of Steel Construction will sponsor this year, as in the past, the selection of the most beautiful recently constructed bridges, with judging scheduled for September 14 in the Institute's New York office. Awards will consist of an 18-in. by 24-in. stainless steel plaque to be affixed to each prize-winning bridge and engraved certificates for the designer, owner and constructor. The deadline for entries in the competition is September 12.

To be eligible, a bridge must be located within the United States and must have been completed and opened to traffic during 1948. Several good photographs of the structure, not less than 8-in. by 10-in., must accompany the fol-

lowing data: Name of bridge, location, total cost, designer, fabricator, owner, date completed, date opened to traffic, span lengths and widths. Inquiries concerning the competition should be sent to T. R. Higgins, director of engineering, A. I. S. C., 101 Park avenue, New York 17.

Hearing in Eastern L.C.L. Case Set for September 21

The further hearing in the reopened proceeding wherein Eastern railroads are proposing increases in their rates on l.c.l. and any-quantity traffic will be held at Washington, D. C., on September 21 before Examiner M. J. Walsh, the Interstate Commerce Commission has announced. The announcement stated that the commission desires to have the evidence prepared in written form in advance of the hearing. It went on to say that the railroads should serve copies of their evidence on the commission and interested parties on or before August 22, while the evidence of protestants should be served on or before September 12.

The proceeding is docketed as No. 29770 and the commission's prior report, which rejected the railroads' proposal, was reviewed in the *Railway Age* of October 23, 1948, page 53. In their petition for the further hearing, the carriers advised the commission that they planned to submit proposals different from those that were disapproved (see *Railway Age* of April 9, page 68).

Johnson Proposes Separation of Air Mail Pay from Subsidies

"Sound national bookkeeping requires that the expenditure of public funds for the postal service, the national defense, and commercial transportation services should all be specifically labelled as such, and no longer be wrapped up in one package and called mail pay," Senator Edwin C. Johnson, Democrat of Colorado, and chairman of the Senate committee on interstate and foreign commerce, told the Kansas City, Mo., chamber of commerce at an "aviation celebration" on July 15.

Pointing out that total air-mail pay for domestic and international air lines has virtually tripled in amount between 1946 and 1949, Senator Johnson called the mixing of mail pay with subsidy "a sloppy and wasteful way to do business." "It is very important," he added, "to arrive at the amount of subsidy in some acceptable manner in the near future."

Senator Johnson called the air lines "our most dynamic and spectacular transportation facility" and suggested that "eventually, air travel is likely to be the safest method of all travel."

Denies Boost in Fares for Single-Occupancy of Rooms

Division 2 of the Interstate Commerce Commission has found "unjust and un-

reasonable" proposed increases in the railroad fares which are applicable where there is single occupancy of Pullman compartments and drawing rooms in through service, via Washington, D. C., to and from New York, New Haven & Hartford points, Boston, Mass., to New York, and Pennsylvania points, New York and south thereof, on the one hand, and, on the other, points on the Richmond, Fredericksburg, & Potomac, Atlantic Coast Line, Seaboard Air Line, and Florida East Coast. The proposed increases would have raised the railroad charge where there is single occupancy of compartments from 1 1/10 to 1/2 adult fares, while the rate where there is single

occupancy of drawing rooms would have gone up from 1 1/2 to 2 adult fares.

The proposed increases were carried in suspended tariffs which were originally published with a December 18, 1948, effective date. The commission's adverse report required their cancellation and discontinued the proceedings which was docketed as I. & S. No. 5615. The report also embraced Fourth Section Application No. 23844, which tied into the rate-increase proposal and which was denied, too. The request was for relief from the fourth section's aggregate-of-intermediates provisions, because the proposed increases would have produced through rates to and from points south of Ham-



We don't want to benefit by somebody else's troubles, but we do want to remind you of the fact that for over two months the railroad did just about the whole transportation job for the State of New Hampshire

Like all other railroads the Boston and Maine is a "common carrier" which means that we take everybody's traffic whenever and wherever offered. It does not make any difference to us whether it

is a box of toothpicks or a carload of coal

The railroad is always there, 365 days a year, in all kinds of weather, operating over rights of way which are owned and maintained at our own expense. In fact the Boston and Maine is one of New Hampshire's biggest employers and taxpayers. We pay taxes that are true taxes, not user charges. Last year our tax bill in the State of New Hampshire was over half a million dollars. This money helps to pay

for schools, fire departments, and the roads you drive on.

We hope that having once more proved our status as the backbone of New Hampshire's transportation, we can continue to handle your business.

Sure, we enjoy emergency business, but we would rather have it all the time.

Will you love us in December as you did in May?

BOSTON and MAINE

A recent truck strike in New Hampshire gave the B. & M. an opportunity to remind the people of that state, through the advertisement reproduced above, of the facts that railroads are the one indispensable agency of transportation—and the only true common carriers

let, N. C., higher than combination rates to and from that point to which the Seaboard blankets back the competitive fares it maintains to and from Atlanta, Ga.

The division's report represented the view of Commissioners Aitchison and Splawn, a dissenting expression having come from its third member, Commissioner Alldredge. In his opinion, Mr. Alldredge said, the higher fares proposed would be "just and reasonable," and the fourth-section relief should have been granted.

"Talگو" Train at Railroad Fair

On July 15 the American Car & Foundry Co.'s "Talگو" train joined the array of attractions at the Railroad Fair in Chicago, and will remain on exhibition until the close of the show on October 2. (A complete description of the "Talگو" equipment appeared in the *Railway Age* of April 23, page 30.)

The press and other special groups were guests at a preview showing shortly after the train's arrival at the fair grounds on the 15th, while some 35,000 persons passed through the locomotive and coaches during the first three days they were open to the public. The train came direct to the fair via the Pennsylvania from A.C.F.'s plant in Berwick, Pa.

Postpones Date of Order On Forwarder-Trucker Pacts

The Interstate Commerce Commission has further postponed, from August 1 until October 1, the effective date of the order in the case wherein it fixed terms and conditions under which freight forwarders may utilize the services and instrumentalities of motor carriers. The postponement granted a request for such action which the commission had received from the United States District Court for the District of Delaware where the forwarders' appeal from the order is pending.

The proceeding before the commission was docketed as No. 29493, and the commission's decision was reviewed in the *Railway Age* of October 9, 1948, page 74.

Airport Program for Fiscal 1950

Federal funds totaling \$29,840,767 have been allocated under the Federal Aid Airport Program for work on 314 airport construction or development projects during the current fiscal year which will end June 30, 1950. This was announced July 22 by D. W. Rentzel, administrator of the Civil Aeronautics Administration, who pointed out that the programmed work also contemplates the expenditure on the 314 projects of an additional \$37,432,752 of "matching funds" provided by states or other local sponsors of the airports involved.

The 314 projects include 172 for the construction or improvement of Class I, II and III airports, representing \$5,534,

192 in federal funds; 141 for construction or development of Class IV or larger airports, totaling \$24,301,575 in federal funds; and the construction of one seaplane base at an expenditure of \$5,000 in federal funds. Congress appropriated a total of \$39,500,000 for airport work during fiscal 1950, and Administrator Rentzel explained that \$27,000,000 of this is for apportionment among the states under a formula provided by law while \$9,000,000 comprises a discretionary fund that may be used by the administrator regardless of state boundaries. The remaining \$3,500,000 includes \$3,000,000 for administrative purposes and \$500,000 for work in the territories. There are 18 states where the apportionments of federal funds for fiscal 1950 have not yet been fully covered by approved projects, Mr. Rentzel also said.

Waybill Studies

Three additional waybill studies have been issued recently by the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission. They are: Statement No. 4921, Distribution of Freight Traffic and Revenue Averages for Commodity Groups and Selected Classes by Rate Territories—Terminations in Fourth Quarter of 1948; Statement No. 4922, Traffic and Revenue in the Products of Agriculture Group by Commodity Class, Territorial Movement, Length of Haul (Short Line), and Type of Rate—All Terminations in 1947; and Statement No. 4924, Traffic and Revenue in the Animals and Products Group by Commodity Class, Territorial Movement, Length of Haul (Short Line), and Type of Rate—All Terminations in 1947.

Laud Chicago Railroads' Smoke Control

Railroads operating in Chicago have been highly commended for their effective cooperation with the city's smoke department and the Chicago Association of Commerce & Industry in reducing air pollution. Carrier executives were told by a city representative that, during the first five months of 1949, the railroads were charged with only 31 per cent of all smoke ordinance violations. During the same period of 1948, the railroads accounted for 43 per cent of all smoke ordinance violations, while in 1947 railroad violations reached 65 per cent.

Illinois Central Fined \$3,000

Fines totaling \$3,000 were imposed upon the Illinois Central on June 8 in the federal district court at Jackson, Miss., following its plea of nolo contendere to three counts of a 10-count indictment charging violation of the Elkins Act, according to information received by the Interstate Commerce Commission. The commission's notice by Secretary W. P. Bartel also said that the W. C. Avery Body Company, a shipper, was fined \$1,500 in the same court on May 11 when it pleaded nolo contendere to one

count of a 5-count indictment which also charged violations of the Elkins act.

The indictment against the I.C. charged that road with failure strictly to observe its published tariff in that it failed to assess and collect from the shipper the published diversion and reconsignment charge for rendering such service, Mr. Bartel continued. He added that the indictment against the shipper charged it with soliciting and receiving concessions from the I.C. in that it failed to pay diversion and reconsignment charges. The remaining counts of the indictments were dismissed.

May Truck Traffic

Motor carriers reporting to American Trucking Associations transported in May a total of 3,043,781 tons of freight, an increase of 0.1 per cent above the previous month's total of 3,040,830, and 0.4 per cent over the 3,032,176 tons hauled in May, 1948. The figures, according to A.T.A., are based on comparable reports from 323 carriers in 43 states.

P.R.R. Scholarships Awarded

Two four-year college scholarships, established in memory of two former officers of the Pennsylvania, have been awarded after competitive examinations, J. W. Oram, the railroad's chief of personnel, announced on July 11.

The Frank Thomson scholarship, in memory of a former president of the Pennsylvania, and made available annually to the son of a railroad employe, has been won by Roy J. Sippel, of Millvale, Pa., son of John J. Sippel, clerk in the office of supervisor of regional expenditures at Pittsburgh, Pa. It is valued at \$800 yearly for a four-year technical course.

A scholarship at the University of Pennsylvania, established in memory of John Clark Sims, a former secretary of the railroad, and open to railroad employes and sons of employes, went to Eugene McM. Musselwhite, Jr., of Narberth, Pa., son of E. M. Musselwhite Sr., a special agent in the traffic department at Philadelphia, Pa.

June Employment

Railroad employment decreased 0.6 per cent—from 1,237,460 to 1,230,064—from mid-May to mid-June, and the mid-June total was 9 per cent below that of June, 1948, according to the preliminary summary prepared by the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission. The index number, based on the 1935-1939 average as 100, was 118.9 for June, as compared with 121.7 for May and 130.7 for June, 1948.

June employment was below that of the previous month in all groups except maintenance of way and structures, which was up 2.81 per cent. The largest decrease, 3.57 per cent, was in the maintenance of equipment and stores

group, while the transportation group embracing yardmasters, switch-tenders, and hostlers declined 1.55 per cent. Decreases in the other groups were all less than one per cent.

As compared with June, 1948, there were decreases in all groups, ranging from 12.36 per cent in maintenance of equipment and stores to 0.28 per cent in the group embracing executives, officials, and staff assistants.

N. Y. C. Extends Truck Service

Effective July 12, the New York Central extended to 140 freight stations along its lines in Ohio the coordinated rail-truck service for l. c. l. freight which it had previously established at stations in Illinois and Indiana. The new service, by which merchandise freight is handled between key cities by rail and distributed to, or collected from, outlying towns by highway, is designed to save one or more days in transit time.

I. C. Honors 50-Year Employees

Fifty Illinois Central employees, each with a half century of service with the railroad, were honored recently at a luncheon in the Palmer House at Chicago, presided over by Wayne A. Johnson, I. C. president, who presented 14-karat gold passes to the veterans. The group was the largest since the railroad established the annual custom in 1936, and was dominated by locomotive engineers and conductors, who numbered 12 and 10, respectively.

Trainmen Serve Strike Notice On Southern Pacific

The Brotherhood of Railroad Trainmen has served notice of its intention to strike on the Pacific Lines of the Southern Pacific at 6 p.m. July 22, in an effort to force employment of additional brakemen on trains operating in California. The state's so-called full-crew law was amended by referendum at the last general election and the subject is now being adjudicated by the Public Utilities Commission. Under the provisions of the Railway Labor Act, the next step is the appointment of a fact-finding board by the President of the United States, which would have the effect of postponing the strike for at least 60 days.

T. A. A. Booklet Outlines Transport Growth, Problems

How the American transportation system has grown from toll roads and canals to modern systems is told by Dr. John H. Frederick, professor of transportation at the University of Maryland, and consultant for the Transportation Association of America, in a booklet prepared as basic material for the nationwide project being conducted by the association to deal with the transportation problem.

The booklet describes how each form

of transportation has developed and what its present place is in the nation's economic system. It tells also about the status of regulation of each form, and states the problems created by modern conditions and the complex policies affecting transportation.

The T.A.A. is furnishing the booklet to panels and forums working on the association's Cooperative Project, and to professors of transportation. It may be ordered from the association, 130 North Wells street, Chicago 6, for 50 cents a copy, with reduced rates for quantity lots.

May Accident Statistics

The Interstate Commerce Commission has made public its Bureau of Transport Economics and Statistics' preliminary summary of steam railway accidents for May and this year's first five months. The compilation, which is subject to revision, follows:

| Item | Month of 1949 1948 | | 5 months ended with May 1949 1948 | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------|--------------------------------------------|--------|
| Number of train accidents* | 629 | 892 | 3,795 | 5,162 |
| Number of accidents resulting in casualties | 38 | 30 | 209 | 271 |
| Number of casualties in train, train-service and nontrain accidents: | | | | |
| Trespassers: | | | | |
| Killed | 108 | 116 | 416 | 490 |
| Injured | 97 | 114 | 380 | 414 |
| Passengers on trains: | | | | |
| (a) In train accidents* | | | | |
| Killed | --- | --- | --- | 17 |
| Injured | --- | 46 | 165 | 582 |
| (b) In train-service accidents | | | | |
| Killed | 1 | --- | 10 | 9 |
| Injured | 168 | 201 | 816 | 1,068 |
| Travelers not on trains: | | | | |
| Killed | 7 | 1 | 7 | 3 |
| Injured | 60 | 75 | 320 | 452 |
| Employees on duty: | | | | |
| Killed | 32 | 51 | 173 | 259 |
| Injured | 1,783 | 2,351 | 9,705 | 13,191 |
| All other nontrespassers:** | | | | |
| Killed | 120 | 129 | 660 | 707 |
| Injured | 324 | 438 | 2,441 | 2,797 |
| Total—All classes of persons: | | | | |
| Killed | 268 | 297 | 1,266 | 1,485 |
| Injured | 2,432 | 3,225 | 13,827 | 18,504 |
| * Train accidents (mostly collisions and derailments) are distinguished from train-service accidents by the fact that the former caused damage of more than \$250 to railway property in 1948. Beginning January 1, 1949, this minimum was raised to \$275. Only a minor part of the total accidents result in casualties to persons, as noted above. | | | | |
| **Casualties to "Other nontrespassers" happen chiefly at highway grade crossings. Total highway grade-crossing casualties for all classes of persons, including both trespassers and nontrespassers, were as follows: | | | | |
| Persons: | | | | |
| Killed | 113 | 119 | 612 | 646 |
| Injured | 208 | 259 | 1,666 | 1,778 |

Chicago & North Western Fined \$2,000

The Interstate Commerce Commission has been advised by the United States Attorney at Des Moines, Iowa, that the Chicago & North Western was fined a total of \$2,000 on June 24. The fine was imposed after the C.&N.W. pleaded guilty to two counts of a five-count information, charging violations of the Elkins Act arising out of the failure of the C.&N.W. to observe the provisions of

its published demurrage tariff. The remaining three counts were dismissed.

The specific offense, according to the notice issued by the commission, was the failure of the C.&N.W. to constructively place carload shipments of grain destined to a large granary at Council Bluffs, Iowa.

University of Minnesota Offers Second Transportation Institute

The University of Minnesota, Minneapolis, Minn., will sponsor its second Rail Transportation Institute, in cooperation with the Association of American Railroads, from September 26 to October 8, inclusive. The course will be under the direction of Edmund A. Nightengale, associate professor of economics and transportation. A total of 50 hr. will be devoted to classroom courses, during which the students will hear nationally known authorities on transportation. A total of 20 hr. will be devoted to field studies, which include a trip to Duluth and the Iron Range.

Details may be obtained from the director, Center for Continuation Study, University of Minnesota, Minneapolis 14, Minn. Veterans of World War II are eligible for benefits under Public Law 346.

June Revenues 12.9 Per Cent Below Those of June, 1948

From preliminary reports of 81 Class I roads representing 79.8 per cent of total operating revenues, the Association



It doesn't cost a cent — and it's time well spent. Just smile, and you'll be boosting your railroad. Folks will notice — they'll remember you — and your railroad!

"Smile, and you'll be boosting your railroad" is the message on the inside back cover of a 36-page, two-color booklet recently issued for employees of the Norfolk & Western, to help them realize the importance of courtesy, safety and "the job our railroad is doing." In humorous style, with cartoon illustrations, the booklet presents many facts about the N. & W., including a short history and a map

of American Railroads has estimated that the June gross amounted to \$582,780,412, a decrease of 12.9 per cent below the \$669,087,375 reported for the same 1948 month. Estimated June freight revenues totaled \$473,750,406, as compared with June, 1948's \$548,045,542, a decrease of 13.6 per cent. Estimated passenger revenues totaled \$63,618,092, as compared with \$69,055,255 a decrease of 7.9 per cent. The estimate for all other revenues was \$45,411,914, a decrease of 12.6 per cent below June, 1948's \$51,986,578.

Express Rate Case Set For Hearing September 7

Interstate Commerce Commission hearings on the Railway Express Agency's petition for authority to increase first-class express rates by 10 per cent and to maintain second-class rates at 75 per cent of first class will open at Washington, D. C., on September 7 before Examiners Charles W. Berry and Samuel R. Diamondson. The proceeding has been docketed by the commission as Ex Parte No. 169, Increased Express Rates and Charges, 1949 (see *Railway Age* of July 2, page 49).

Bryant to Honor Fairless

At its 86th commencement on August 5, Bryant College, Providence, R. I., will award to Benjamin F. Fairless, president of the United States Steel Corporation, the honorary degree of Doctor of Science in Business Administration Honoris Causa. Henry L. Jacobs, Bryant president, will present the degree.

ORGANIZATIONS

The American Association of Railroad Superintendents will hold a post-convention meeting at the Palace Hotel, San Francisco, Cal., on August 26, for the benefit of the association's west coast membership. S. M. Gossage, assistant manager, department of personnel, Canadian Pacific, Montreal, Que., past-president of the organization, will preside over the meeting. Committee reports and other activities of the national convention at Chicago last June 14, 15, and 16 will be reviewed.

The sixty-first annual convention of the National Association of Railroad and Utilities Commissioners will be held at the Hotel Cleveland, Cleveland, Ohio, August 8 through August 11, with the opening session at 2 p.m. on August 8. The program will include, among other things, addresses on "The Results of the I.C.C. Waybill Studies," by Interstate Commerce Commissioner Walter M. W. Splawn; "Mounting Railroad Passenger Service Deficits," by Walter R. McDonald, chairman of the Georgia Public

Service Commission; and "Relative Costs of Short-Haul vs. Long-Haul Rail Traffic," by Dr. Ford K. Edwards, director of the I.C.C.'s Bureau of Accounts; an address by Justus F. Craemer, of the California Public Utilities Commission and president of the association; a "Report of the Washington Office," by General Solicitor Frederick G. Hamley, and a talk on "Prudent Investment" by James J. Danaher, of the Illinois Commerce Commission.

Charles R. Martin, freight traffic manager, Erie, has been elected president of the Traffic Club of Cleveland, Cleveland, Ohio. Other officers are: First vice-president, R. Jicha, traffic manager, True Temper Corporation; second vice-president, W. J. Brennan, general agent, Reading; treasurer, Gordon F. Wilson, president, Wilson Motor Lines; and secretary, Hayden W. Seale, general agent, Grand Trunk-Canadian National.

The next meeting of the Railroad Enthusiasts, Inc., New York division, will be held on July 27, at 7:45 p.m. This meeting will be designated as "Colorado Nite," with a showing of colored motion pictures in addition to a Chicago, Burlington & Quincy movie entitled "Glorious Playground of the Rockies."

OVERSEAS

John Kay, Editor of Railway Gazette, Dies

John Kay, for many years editor of the Railway Gazette, published in London, England, and the British counterpart of *Railway Age*, died on July 8. Mr. Kay was chairman, and one of the founders, of the Transportation Club of London, which was originally opened during World War II by the British railways as an act of hospitality on behalf of Americans and Canadians serving in the armed forces who had been previously employed by transportation companies.

EQUIPMENT AND SUPPLIES

Equipment on Order

Class I railroads and railroad-owned and controlled refrigerator car lines had 38,610 new freight cars on order July 1, compared with 110,431 on order July 1, 1948, according to the Association of American Railroads. This year's July 1 total of cars on order by all railroads and private car lines was 42,813.

The A.A.R. statement, however, featured the installations of equipment during this year's first six months, pointing out that more new cars and locomotives were then placed in service than in "any corresponding period in approximately a quarter of a century." Freight cars placed in service during this year's first half totaled 55,158, which was more than the installations in the first six months of any other year since 1929. In the first half of last year, 50,918 freight cars were placed in service.

Meanwhile, the total of 1,010 locomotives installed in this year's first half exceeded the comparable figure for any like period since 1923. This year's installations included 969 Diesel-electrics and 41 steam locomotives. Installations in the first six months of last year totaled 648, including 620 Diesel-electrics, 24 steam, and 4 electrics.

The 38,610 cars on order July 1 by the class I roads and their car-line affiliates included 18,992 to be built in railroad shops and 19,618 on order from contract builders. The breakdown by types of cars was as follows: Box, 6,972, including 6,672 plain and ventilated and 300 auto box; hoppers, 14,824, including 2,270 covered hoppers; gondolas, 9,917; flat, 3,825; refrigerator, 2,689; stock, 25; miscellaneous, 358.

Class I roads on July 1 also had on order 1,127 locomotives, including 1,094 Diesel-electrics, 29 steam and 4 electrics. On July 1, 1948, there were on order 1,695 locomotives, including 1,572 Diesel-electrics and 123 steam.

Freight cars retired during the first six months of this year by the class I roads and their affiliated refrigerator car lines totaled 38,660, compared with 36,797 retired during the first half of 1948. The June, 1949, retirements totaled 7,060 cars.

FREIGHT CARS

The Seaboard Air Line has ordered 25 cabooses from the International Railway Car & Equipment Manufacturing Company. Delivery of the cars, which will cost \$250,000, is scheduled to begin in September.

LOCOMOTIVES

The Canadian National has ordered three 1,350-hp. electric passenger locomotives from the Canadian General Electric Company for use on suburban lines out of Montreal, Que. The engineman's cab will be centered on the new locomotives. Weighing 87 tons each, the locomotives will be 42 ft. long and have a top speed of 60 m.p.h. They are to be equipped with double controls for operation in either direction. Connection with the overhead power wires will be through twin pantographs. Power will be supplied by four d.c. series motors and the starting tractive force of each locomotive will be 44,000 lb.

The Spokane International expects to be completely Dieselize by January,

1950, with delivery by the American Locomotive Company of nine 1,000-hp. Diesel-electric road switching locomotives (order reported in the *Railway Age* of June 25, page 109). F. C. Rummel, S. I. president, said the new switchers should replace all of the road's 13 steam locomotives. (Also, see Construction column).

SPECIAL

The Minneapolis, St. Paul & Sault Ste. Marie has ordered a rotary snow plow from the Lima-Hamilton Corporation, for delivery in the late fall. The plow, identical with the two ordered recently from Lima-Hamilton by the Union Pacific (see *Railway Age* of June 18, page 70), has a rating of 1,500 hp., weighs 260,000 lbs., and is designed for either coal or oil operation.

SUPPLY TRADE

A. C. F. Net Sales Topped \$219,000,000

Net sales of the American Car & Foundry Co. for the fiscal year ended April 30, 1949, amounted to \$219,648,483, surpassed only by the peak year of 1943 and representing an increase of 67 per cent over the net sales of \$131,360,756 for the fiscal year ended April 30, 1948, according to the recently released annual report. Net income was \$4,932,114, equal, after preferred dividends, to \$4.85 a share on the 599,400 common shares outstanding, compared with net income of \$4,103,952, or \$3.47 a common share, for the preceding fiscal year. Charles J. Hardy, chairman, said the backlog of unfilled orders on April 30 totaled \$130,000,000, compared with a record total of over \$280,000,000 a year earlier (these figures do not give effect to "escalation" provisions in contracts).

"So far as concerns the field of manufacturing activity in which your company is principally engaged," Mr. Hardy told stockholders in the report, "the year has been one of mixed trends, of considerable buying activity during a portion of the time and practically a dearth of such (still continuing) toward the close of the period. The reluctance of the roads to place orders for additional equipment at this time is understandable. The burdens under which they labor are grievous—constantly increasing costs of operation, comparatively untaxed competition by truck, bus and airplane in the carriage of both passengers and freight, and a disinclination to grant them the right to make a charge for the service they render commensurate with its cost to them and the worth to their patrons of the service given.

"Notwithstanding the inequities un-

der which the roads suffer," Mr. Hardy added, "their continued and effective operation is essential to the well-being of our country—and it has truly been said that in the event of war they constitute our first line of defense. It is therefore of necessity that they must have equipment, rolling stock and motive power, adequate to meet the demands, actual or prospective, that may be made upon them properly to discharge their functions not only as carriers of the products of the country's industry and commerce but also as our 'first line of defense' in any possible (even though at the moment unlikely) attempted aggression against our safety and well-being. That the roads with their present rolling stock are in condition to meet such demands as may be made upon them is at least doubtful—and your management feels justified in the belief that in the near future there will be a resumption of activity in the buying of such equipment in sufficient volume to keep your company's plants in at least fairly active operation."

Fairbanks, Morse Erecting New Branch Building at Chicago

Construction of a new building to house the Chicago branch of Fairbanks, Morse & Co. is now underway at a cost of \$500,000, including purchase price of the site at 1544-1558 South State street. R. H. Morse, Jr., vice-president in charge of all operations, said that the structure will be completed by the end of the year. It is to house the sales and service personnel and warehousing and repair facilities for the company's operations in the Chicago area.

The new one-story building, 145 ft. by 250 ft., will be of modern architecture of fire-proof materials, automatically heated and air-conditioned. The office portion of the structure will be equipped with in-the-wall filing cabinets, acoustically treated walls and ceilings, fluorescent lighting and baseboard heating. Adequate trucking and parking facilities are included in the plans, and cranes are to be installed for the efficient handling of heavy parts.

Commenting on the new construction, Mr. Morse said: "Service is often just as much a part of the sale as is the product itself. The new building will enhance and speed our service to our customers."

C. Milton Wilson has been appointed sales manager of the Anemostat Corporation of America. Mr. Wilson formerly was manager of sales of the Ingersoll division of the Borg Warner Corporation.

D. Robert Yarnall, president of the James G. Biddle Company since 1944, has been elected chairman of the board and J. Robert James, formerly vice-president and treasurer, has been elected president. Edward H. Wannemacher has been re-elected vice-president and secretary.

The company also has announced the following appointments: E. E. Lange, assistant sales manager; A. Z. Lange, technical sales engineer; T. B. Whitson, director of engineering; E. B. Curdts, assistant director of engineering; and Stuart C. Sommer, advertising manager.

James Wright, whose appointment as assistant to the president of the Union Switch & Signal Co. was announced in the *Railway Age* of July 16, was born in 1888, at Tatbury, England. He received his high school education and teacher training at Stafford, England, and was a public school teacher in England in 1906. Mr. Wright joined Union Switch & Signal in 1907 as a clerk in the packing department and, in 1909, was transferred to the specification department as order interpretation clerk. While working in this capacity,



James Wright

he enrolled in a five-year night course at Carnegie Institute of Technology and was graduated in 1915 with a degree in electrical engineering. In April, 1917, he was appointed chief of the company's specification department and in January, 1937, was appointed assistant to general manager. Mr. Wright was appointed manager of the general order and specification department in August, 1946, and assistant vice-president in April 1948, the position he held at the time of his recent appointment.

Allan A. Rylander has been elected president of Canadian Permag Products, Inc. Mr. Rylander joined Canadian Permag in 1933 as assistant manager. In 1937 he was advanced to assistant treasurer and manager; in 1943, to treasurer; and in 1946, to general manager.

Arthur L. Berry, formerly special assistant to the president of the Pullman-Standard Car Manufacturing Company, Chicago, has been appointed acting director of public relations. E. Preston Calvert, formerly associated with Carl Byoir & Associates, Inc., has been given the post of assistant director of public relations, and Hugh W. Foster, former associate editor of Pullman-Standard's

"Carbuilder," has been appointed special assistant in charge of advertising.

Automatic Control Company, St. Paul, Minn., has appointed **A. T. Timmerman**, 759 N. Milwaukee street, Milwaukee, Wis., as its new representative for eastern Wisconsin and Michigan peninsula territory. Mr. Timmerman will handle engineering and sales of the firm's automatic liquid level controls and will be available for information and service on all "Autocon" installations.

Wilbur L. Brown, vice-president of Greyhound Motors has been elected president of **Tropic-Aire, Inc.**, Chicago, succeeding the late **Carl H. Will**, whose death was reported in the *Railway Age* of April 2.

The **Merchants Despatch Transportation Corporation** and **Northern Refrigerator Line, Inc.**, Chicago, have announced the following appointments: **F. C. Mohr**, vice-president, as vice-president and general manager at Chicago; **H. J. Walters**, special assistant to the vice-president and general manager, as assistant to the president at New York; **W. N. Messimer**, superintendent of equipment, as general superintendent of equipment at Chicago, and **C. R. Taylor**, auditor, as general auditor at Chicago. The former positions of these men have been abolished.

Engel E. Devendorf has been appointed export manager of the **Graver Tank & Manufacturing Co.**, East Chicago, Ind., and the **Phoenix Manufacturing Company**, Joliet, Ill. Mr. Devendorf was formerly New York manager for Western International Corporation.

Paul E. Thomas, chief engineer of the **Carnegie-Illinois Steel Corporation's** Gary (Ind.) steel works has been appointed assistant to general superintendent, and **Daniel E. Wise**, chief engineer of the firm's Clairton (Pa.) works, has been transferred to Gary as his successor.

William W. Battles, executive vice-president of the **Valve Pilot Corporation** since 1948, has been elected president, to succeed the late **William Wait**, whose death was reported in *Railway Age* of July 2. Mr. Battles was graduated from Princeton University in 1912 with a degree in civil engineering. Since that time, with the exception of a period during World War I when he served as a major of infantry in the United States Army, he has been associated with **Battles & Co.**, and for many years has been a director and officer of **Valve Pilot**.

R. G. LeTourneau, Inc., Peoria, Ill., has announced the reorganization of its service department into eastern, central and western territories to align the functions of this department with those of the sales organization. **Clyde W. Richards** has been appointed general service manager to head the department; **P. Edwards**, eastern

service manager; **George Crafton**, central service manager; **Jack Lewis**, western service manager; and **Clyde E. Clair**, special service representative.

OBITUARY

Orrin H. Baker, sales manager of the railroad materials and commercial forgings division, **Carnegie-Illinois Steel Corporation** (subsidiary of the **United States Steel Corporation**), with headquarters at Pittsburgh, Pa., died of a heart ailment on July 13, at his summer home in Burlington, Ont. Mr. Baker, who was 64, was a native of Hamilton, Ont., and a graduate in mechanical engineering of the University of Illinois. He began his industrial career as a laboratory chemist in the South Chicago plant of the **Illinois Steel Company** (now **Carnegie-Illinois Steel Corporation**) and in 1910 became a general steel salesman in the Chicago district, being transferred to the railroad sales division in 1921. After serving as assistant general manager of sales at Chicago from 1926 to 1933, he was promoted to general manager of sales. Two years later he was appointed western area railroad sales manager, with headquarters at Chicago. He became sales manager of the railroad materials and commercial forgings division in 1941. During World War II Mr. Baker served on the War Production Board at Washington, D. C. as an advisor.

H. B. Ellis, former service manager of the Electro-Motive Division of **General Motors Corporation**, LaGrange, Ill., died at his home in Miami, Fla., on July 9. At the time of his retirement in 1948, Mr. Ellis was serving as assistant to vice-president of **General Motors**.

CAR SERVICE

Special Car Order No. 51 has been issued by Chairman **Arthur H. Gass** of the Car Service Division, Association of American Railroads, to expedite the return home of box cars owned by seven northwestern roads now preparing to handle the spring wheat movement. The order, effective July 15, was addressed to roads in the Central Western and Southwestern districts; and it applies to plain box cars of the XM type owned by the Chicago, Milwaukee, St. Paul & Pacific, the Chicago & North Western, the Chicago, St. Paul, Minneapolis & Omaha, the Great Northern, the Minneapolis & St. Louis, the Minneapolis, St. Paul & Sault Ste. Marie, and the Northern Pacific.

Loading of the cars involved by Central Western and Southwestern roads must be only to stations on the owner's rails or junction points with the owner.

And the cars "must not be delayed or backhauled to obtain such loading"; if it is not immediately available, they must be returned empty in home route or short route. When the cars are made empty at a western gateway, where they are still away from home and without direct home route, they must be delivered to and accepted by any of the seven owning roads for "prompt movement to owner, either loaded or empty." Meanwhile, the owning roads are directed "to insure by appropriate, supervised instructions that all cars in their possession of other western ownerships shall be promptly moved to home roads, either loaded or empty."

ABANDONMENTS

Division 4 of the Interstate Commerce Commission has authorized:

Kansas City, Kaw Valley.—To abandon the 21.4-mi. section of its line from Bonner Springs, Kan., to Lawrence. In the same report, the commission dismissed "for want of jurisdiction" that part of the application wherein the K.C., K. V. sought permission to discontinue handling l.c.l. traffic on the remainder of its line from Bonner Springs to Kansas City, Kan., 15 mi. In assuming jurisdiction to pass on the line-abandonment phase, the commission rejected contentions of protestants, including the State Corporation Commission of Kansas and the City of Lawrence who argued that the road, which uses electric power, was an interurban electric railway not operated as part of a general steam railroad system of transportation and thus exempt from the commission's jurisdiction under provisions of the Interstate Commerce Act's section 1 (22). "We are of the opinion that we have jurisdiction," the commission said, after having noted that the road has connections for interchange of traffic with the Union Pacific, Atchison, Topeka & Santa Fe and Kansas & Missouri Railway & Terminal.

Another contention of protestants, also rejected by the commission, was that in any event a commission grant of permission to abandon the line could not include authority to discontinue movement of intrastate traffic. The report indicated the commission's view that such a contention would be valid only if an abandonment as to interstate and foreign commerce involved the entire line of a railroad located wholly within a single state. "After such abandonment the continued use of the track in the transportation of intrastate traffic could not be a burden upon interstate commerce," the report explained. While the K.C., K.V. is located wholly within Kansas, it proposes to continue operating the Bonner Springs-Kansas City section of its line in interstate commerce. A third issue raised by the protestants related to the K.C., K.V. charter to operate over Lawrence streets. As to that it was urged that the road "has not shown good faith in failing to pay its alleged share of the cost of street improvements." The commission refused to get

into the controversy, because it was of the opinion that "such matters...are not issues to be determined by us."

Its approval of the abandonment was based on findings to the effect that continued operation of the line would bring increasing losses; and that no "serious" inconvenience to the general public will result, because of the availability in the territory of other railroad services and motor truck services. The abandonment certificate contained a condition requiring that the line or any portion thereof be sold to any responsible person offering to purchase it for operation in railroad service and willing to pay not less than the "fair net salvage value."

Missouri Pacific.—To abandon facilities formerly used for the operation of a car ferry across the Mississippi river between Ivory Station, Mo., and East Ivory, Ill. The facilities include the ferry, inclines, and approximately 5.7 mi. of appurtenant tracks. Their operation ceased in February, 1940, upon commencement of the M.P.'s use of tracks over the Municipal Bridge, located between St. Louis, Mo., and East St. Louis, Ill., about 7.6 mi. north of ferry facilities. A decision on abandonment of the latter was then deferred until the results of the operation over the bridge could be determined; and after "Pearl Harbor" it was thought that the facilities might be required for war traffic. In approving the abandonment at this time, the commission said that the need for the facilities for "stand-by use" has ended, and that the M.P.'s experience since 1940 has shown that the use of the bridge "is less costly and provides more expeditious transfer service to the public."

Reading.—To abandon its 3.28-mi. Crane branch, from Crane Junction, Pa., to Wallner. The commission said the abandonment will cause "little, if any" inconvenience to interested shippers because of the availability of highway transportation and other rail service at "nearby" points.

CONSTRUCTION

Canadian National.—This road recently awarded a contract to the Dominion Construction Company, Vancouver, B. C., for construction of a 250-ton ice house and facilities at Kelowna, B. C.

Chicago & North Western.—This road has awarded the following contracts for projects to be completed in cooperation with the C. & N. W.'s own forces: To Roland H. Becker, Inc., Elm Grove, Wis., for erection of a new subway connecting West Becher and West Burnham streets in West Allis, Wis. (\$230,911); to Graver Tank & Manufacturing Co., East Chicago, Ind., for installation of a 150,000-gal. fuel oil tank at the enginehouse in Boone, Iowa (\$33,770); and to Strobel Construction Company, Chicago, for repairs to steel of Wall Street viaduct in Sioux City, Iowa (\$35,000). A contract for an undisclosed amount will also be given for installa-

tion of a new 100,000-lb. per hour steam generating plant in the powerhouse at the Chicago shops, 4200 West Kinzie street. The railroad's forces will perform all work in connection with the following jobs: Install two Pacific No. 015° F steam boilers with oil burners and fuel oil tank, to replace two cast iron boilers, at Provviso, Ill. (\$48,600); raise grade between Dow City, Iowa and Dunlap and over bridge No. 895 (\$52,950); replace concrete slab deck with steel stringers and raise grade at bridge No. 176, Bertram, Iowa (\$140,800); rearrange yard tracks at East Yard, North Green Bay, Wis., to obtain 14-ft. centers (\$64,831); and rebuild one-third of bridge No. 1169, Lake Mills, Wis., as 23-span treated timber trestle (\$67,000).

Chicago, Indianapolis & Louisville.—This road has awarded contracts to Intrusion-Prepakt, Inc., Chicago, for solidification of abutments and piers on three bridges, at a cost of \$40,542.

Spokane International.—This company will spend \$100,000 in renewing shop facilities to service new Diesel-electric locomotives on which delivery is expected by January, 1950. (See Equipment and Supplies column.) The road is now laying 4½ mi. of new 90-lb. rail, and plans to lay an additional five mi. during 1950. Work will begin in August on renewal of two spans in a bridge over the Kootenai river, at a cost of approximately \$75,000.

FINANCIAL

Chicago, Burlington & Quincy—Track-age Rights.—This road has applied to the Interstate Commerce Commission for approval of a supplemental agreement under which it will continue to operate over a line of the Union Pacific between Council Bluffs, Iowa, and a point near the C.B.&Q.'s Omaha, Neb. passenger station, approximately 2.7 mi. The new agreement, dated December 15, 1948, would replace a 1920 contract.

New Securities

Applications have been filed with the Interstate Commerce Commission by:

Kansas City Southern.—To assume liability for \$3,990,000 of series I equipment trust certificates to refinance balances due on 1,194 box cars purchased in 1947 and 1948 under conditional sales agreements, and to finance in part the acquisition of 100 new all-steel hopper cars of 70 tons capacity. The box cars were purchased from the Pullman-Standard Car Manufacturing Company at a unit cost of \$4,117, while the hoppers have been ordered from the General American Transportation Corporation at a unit price of \$7,000. The certificates, dated August 1, would be sold on the basis of competitive bids, which would fix the interest rate and also de-

termine whether the issue would mature over a 12-year or a 15-year period.

Louisiana & Arkansas.—To assume liability for \$5,640,000 of equipment trust certificates to refinance balances due on equipment originally purchased under conditional sales contracts and delivered during 1948 and the first part of this year. The equipment involved was listed in the application as follows:

| Description and builder | Estimated Unit Cost |
|----------------------------------------------------------------------------------------------------------------|---------------------|
| 500 Steel flat bottom 70-ton coal cars (Pullman-Standard Car Manufacturing Company) | \$ 4,619 |
| 400 Steel 70-ton hopper cars (Pullman-Standard) | 4,946 |
| 10 1,000-hp. Diesel-electric switching locomotives (Electro-Motive Division, General Motors Corporation) | 95,543 |
| 2 Diesel-electric freight locomotives of four 1,500-hp. units each (Electro-Motive) | 581,004 |
| 1 Diesel-electric passenger locomotive of two 1,500-hp. units (Electro-Motive) | 340,544 |
| 1 1,500-hp. Diesel-electric passenger locomotive (Electro-Motive) | 177,181 |
| 2 1,500-hp. Diesel-electric all-purpose locomotives (Fairbanks, Morse & Co.) | 158,263 |
| 2 Passenger coaches (American Car & Foundry Co.) | 99,664 |
| 4 Passenger coaches (A.C.F.) | 100,115 |
| 2 Dining cars (A.C.F.) | 141,759 |
| 2 Passenger-mail-dormitory cars (A.C.F.) | 91,734 |

The certificates would be dated August 1, mature in 12 semi-annual installments of \$235,000 each, beginning February 1, 1950, and would be sold on competitive bids.

Division 4 of the I.C.C. has authorized:

Atlantic Coast Line.—To assume liability for \$8,685,000 of equipment trust certificates, the second and final installment of a \$19,350,000 issue, proceeds of which are being applied toward purchase of 2,945 freight cars, 18 Diesel-electric locomotives, and 44 passenger-train cars estimated to cost about \$21,500,000 (see *Railway Age* of February 5, page 118). The certificates will be dated March 1, and will mature in 15 annual installments of \$579,000 each, beginning March 1, 1950. The commission's report approved a selling price of 99.287 with a 2¾ per cent interest rate—the bid of Salomon Brothers & Hutzler, which will make the average annual interest cost approximately 2.88 per cent. The certificates were reoffered to the public at prices yielding from 1.5 to 2.95 per cent, according to maturity.

Baltimore & Ohio.—To assume liability for \$4,440,000 of equipment trust certificates to finance in part the acquisition of 7 Diesel-electric locomotives and 10 sleeping cars at a total estimated cost of \$5,926,926 (see *Railway Age* of June 25, page 115). The certificates will be dated July 1 and will mature in 15 annual installments of \$296,000 each, beginning July 1, 1950. The commission's report approved a selling price of 99.281 with a 2½ per cent interest rate—the bid of Salomon Bros. & Hutzler, which will make the average annual interest cost approximately 2.62 per cent. The certificates were reoffered to the public at prices yielding from 1.5 to 2.8 per cent, according to maturity.

Chicago & North Western.—To assume liability for \$6,600,000 of equipment trust certificates to finance in part 51 Diesel-electric locomotives expected to cost a total of \$8,314,260 (see *Railway Age* of June 25, page 116). The certificates will be dated August 1, and will mature in 15 annual installments of \$440,000 each, beginning August 1, 1950. The commission's report approved a selling price of 99.4793 with a 2¾ per cent interest rate

—the bid of Halsey, Stuart & Co. and nine associates, which will make the average annual interest cost approximately 2.47 per cent. The certificates were reoffered to the public at prices yielding from 1.375 to 2.675 per cent, according to maturity.

New York Central.—To assume liability for \$11,400,000 of equipment trust certificates to finance in part 2,600 freight cars and 18 Diesel-electric locomotives, at an estimated cost of \$14,534,400 (see *Railway Age* of June 25, page 116). The certificates, dated July 15, will mature in 15 annual installments of \$760,000 each, beginning July 15, 1950. The commission's report approved a selling price of 99.21 with a 2½ per cent interest rate—the bid of Harriman, Ripley & Co., and one associate, which will make the average annual interest cost approximately 2.89 per cent. The certificates were reoffered to the public at prices yielding from 1.5 to 2.95 per cent, according to maturity.

Dividends Declared

Louisville, Henderson & St. Louis.—common, \$4.00, semiannual; 5% non-cumulative preferred, \$2.50, semiannual; both payable August 15 to holders of record August 1.

Michigan Central.—\$25.00, semiannual, payable July 30 to holders of record July 15.

Northern of New Hampshire.—\$1.50 quarterly, payable July 20 to holders of record July 14.

Peoria & Bureau Valley.—\$2.50, semiannual, payable August 10 to holders of record July 22.

Rutland & Whitehall.—\$1.05, quarterly, payable August 15.

Average Prices Stocks & Bonds

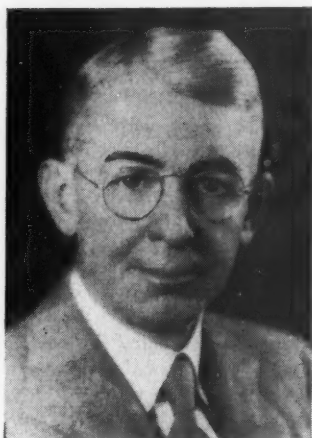
| | July 19 | Last week | Last year |
|---------------------------------------------------------|---------|-----------|-----------|
| Average price of 20 representative railway stocks | 37.02 | 36.33 | 48.53 |
| Average price of 20 representative railway bonds | 85.22 | 84.50 | 90.86 |

RAILWAY OFFICERS

EXECUTIVE

Ross S. Marshall, senior vice-president of the Chesapeake & Ohio at Cleveland, Ohio, whose retirement was reported in the *Railway Age* of July 9, was born at Rock Island, Ill., on March 15, 1880, and attended high school at Anaconda, Mont. He entered railroad service in 1898 as a clerk with the Great Northern at Great Falls, Mont., and four years later joined the accounting department of the Chicago, Rock Island & Pacific at Chicago. In 1905, Mr. Marshall went to Colon, Panama, as chief clerk and local auditor of the Panama Railroad. Two years later he joined the New York, New Haven & Hartford as statistician at New Haven, Conn. From 1911 to 1914 he served the Minneapolis & St. Louis at Minneapolis, Minn., as assistant to vice-president and division superintendent. During the next four years Mr. Marshall was division superintendent, assistant general manager and general superintendent of the Seaboard Air Line at Norfolk, Va. In 1918 he joined the United States Railroad Ad-

ministration as statistician at Washington, D. C., leaving that organization in June, 1922, to go with the Chesapeake & Ohio as assistant to the president. Mr. Marshall was named a vice-president of



Ross S. Marshall

the C. & O. in 1928 and in 1943 was appointed senior vice-president, the position he held until his retirement.

Carl L. Jellinghaus, whose appointment as vice-president—executive department, New York Central System, at New York, was reported in the *Railway Age* of July 2, was born at New York in 1889 and was graduated from the College of the City of New York. Mr. Jellinghaus entered the employ of the Central in 1914 as a clerk in the general manager's office at New York. In successive positions he became inspector in freight protec-



Carl L. Jellinghaus

tion in 1922; assistant to superintendent of property protection in 1923; superintendent of property protection in 1926; executive secretary to the president in 1936; assistant to the president in 1939, and manager of freight transportation in 1940. He served as vice-president of the Michigan Central (N.Y.C. System) at Detroit, Mich., from 1946 until his recent appointment.

FINANCIAL, LEGAL & ACCOUNTING

R. C. Smith, general auditor of the Colorado & Southern (part of the Burlington Lines) at Denver, Colo., has been appointed assistant general auditor of the Chicago, Burlington & Quincy at Chicago, succeeding J. F. Blair, who resigned in June to become general manager of the Association of Western Railways at Chicago, as reported in the *Railway Age* of June 4. W. S. Pringle, assistant auditor of freight accounts, has succeeded Mr. Smith.

OPERATING

William Thomas Rice, whose appointment as superintendent of the Richmond, Fredericksburg & Potomac at Richmond, Va., was reported in the *Railway Age* of July 2, was born at Hague, Va., on June 13, 1912. After graduating from local schools, he entered Virginia Polytechnic Institute, receiving his B.S. degree in Civil Engineering in June, 1934. Soon thereafter, he entered the service of the Pennsylvania in the engineering department and, after serving in various engineering capacities, joined the U. S. Army as 1st Lieutenant, 730th Railway Operating Battalion. Early in 1945 he



William Thomas Rice

became lieutenant colonel, in charge of the operations of the Iranian State Railway. After hostilities in the European theater were concluded, Mr. Rice was appointed chief rail officer in Sixth Army Headquarters in the Philippines and shortly after was put in charge of all rail lines in half of Japan. After his release from the Army, he was appointed supervisor of track of the R. F. & P. at Fredericksburg, Va., and on September 1, 1946, was promoted to superintendent of the Potomac yard, at Alexandria, Va., in which capacity he served until his recent appointment to the newly created position of superintendent of the road.

Harry H. Kaplan, whose promotion to superintendent of dining car service, system, of the Chicago, Rock Island &

HARRISON COOLING

Helps Keep 'Em Available!



The majority of the Diesel locomotives built today are equipped with Harrison radiators and oil coolers.

Thus, effective jacket water cooling and the maintenance of oil temperatures within the

required range are assured.

Harrison cooling helps minimize the number and the cost of overhauls . . . it is a strong factor in cutting the *roundhouse* time and raising the *availability* time of Diesel locomotives.

HARRISON

RADIATORS • OIL COOLERS FOR DIESELS

HARRISON RADIATOR DIVISION OF GENERAL MOTORS CORPORATION, LOCKPORT, N. Y.

July 25, 1949

Pacific at Chicago was reported in the *Railway Age* of July 9, was born on November 12, 1892, in that city. He entered railroad service in 1915 and subsequently served on the Chicago, Milwaukee, St. Paul & Pacific and the New York, Chicago & St. Louis before joining the Rock Island in 1936 as dining car steward. Mr. Kaplan was later placed in charge of dining cars on the Rock Island's "Rocky Mountain Rocket," which position he held at the time of his recent promotion.

John N. Landreth, assistant general manager of the Gulf, Colorado & Santa Fe, at Galveston, Tex., has been appointed assistant to operating vice-president of the Atchison, Topeka & Santa Fe at Chicago, succeeding **W. L. More**, who has been appointed general manager, eastern lines, at Topeka, Kan. Mr. More succeeds **O. L. Gray**, transferred to the coast lines, with headquarters at Los Angeles, Cal., succeeding **E. E. McCarty**, retired. **O. H. Osborn**, superintendent at Emporia, Kan., has replaced Mr. Landreth and has been succeeded in turn by **John F. Fenimore**, trainmaster at Arkansas City, Kan. **W. T. Richardson**, transportation inspector on the Oklahoma division, succeeds Mr. Fenimore.

C. B. Fleming, assistant superintendent of the New York Central at New York, has been transferred to the New York Terminal district and River division, with headquarters at Weehawken, N. J. **F. M. Adams, Jr.**, trainmaster at Buffalo, N. Y., has been transferred to the New York Terminal district.

A. O. Craft has been appointed terminal trainmaster of the Union at Memphis, Tenn. The positions of superintendent and general yardmaster have been discontinued.

P. J. Warner has been appointed trainmaster, Kansas City Terminal division, Missouri Pacific, at Kansas City, Mo., succeeding **C. F. Morrison**, who has been appointed general yardmaster.

W. J. Hotchkiss, superintendent of the Chicago, Milwaukee, St. Paul & Pacific at Terre Haute, Ind., has been transferred to the Milwaukee division at Milwaukee, Wis., succeeding the late **John H. Valentine**, whose death was reported in the *Railway Age* of July 16. **A. J. Farnham**, superintendent at Ottumwa, Iowa, has replaced Mr. Hotchkiss, and has been succeeded in turn by **P. J. Weiland**, assistant superintendent at Dubuque, Iowa. **A. C. Novak**, trainmaster at LaCrosse, Wis., has replaced Mr. Weiland.

Sanford H. Keyes, assistant superintendent of the New York Central Lines, Buffalo and East, with headquarters at Weehawken, N. J., has been appointed superintendent of the Boston & Albany (New York Central), with headquarters at Springfield, Mass., succeeding **Albert**

M. Scott, who will retire on July 31 after nearly 49 years of service with the N. Y. C. Mr. Keyes was born on August 26, 1905, at Schenectady, N. Y. He received a bachelor of arts degree from Williams College in 1926; joined the Central as traveling car agent at New York; and subsequently was granted a leave of absence to obtain the degree of master of science in transportation from the Yale Graduate School in 1933. Mr. Keyes became freight service inspector at New York in 1935 and assistant trainmaster at Buffalo, N. Y., in February, 1936. He was promoted to



Sanford H. Keyes

trainmaster at Rochester, N. Y., in December, 1936, transferring to Syracuse, N. Y., in July, 1943. He became assistant superintendent at Weehawken on January 1, 1947.

Mr. Scott, who was born on January 13, 1881, at Niverville, N. Y., joined the N. Y. C. on October 25, 1900, at Rensselaer, N. Y., where he served as fireman, brakeman and freight conductor. In June, 1910, he was transferred to Hudson, N. Y., where he served as freight conductor until August, 1919, when he became a passenger conductor at Albany. A year later he went to Rensselaer as night trainmaster and on January 1, 1927, became trainmaster at Springfield. Mr. Scott was appointed superintendent at that point on August 1, 1939.

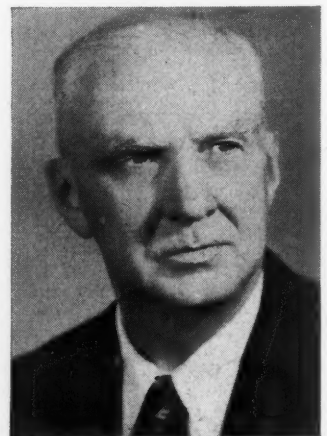
D. P. Boykin has been appointed assistant superintendent of the Southern Pacific, with headquarters at Los Angeles, Cal., succeeding **K. K. Schomp**, whose appointment as assistant manager of personnel at San Francisco, Cal., was reported in the *Railway Age* of July 16.

TRAFFIC

Alfred Kubli, general eastern passenger agent of the Central of New Jersey, at New York, will retire on July 30, after a railroad career of more than 44 years. Mr. Kubli was born at New York on June 6, 1881, and received his education in Switzerland and in New York public and commercial schools. He en-

tered railroad service on April 1, 1905, as a stenographer in the New York offices of the Chesapeake & Ohio and on September 12, 1906, resigned to become a passenger agent with the Jersey Central. Mr. Kubli was appointed city passenger agent of the latter road at New York on August 19, 1907, and served as chief clerk of the general eastern passenger agent's office of the Jersey Central, Lehigh Valley and Erie while the federal government was operating the railroads from October 1, 1918, to February 29, 1920. On March 1, 1920, Mr. Kubli again became city passenger agent of the Jersey Central at New York and on May 1, 1926, he was appointed district passenger agent at Newark, N. J. He has been general eastern passenger agent at New York since May 5, 1941.

Hugh H. Gray, whose promotion to passenger traffic manager of the Southern Pacific Lines in Texas and Louisiana at El Paso, Tex., was reported in the *Railway Age* of July 2, was born on December 20, 1893, at Grand Rapids, Mich., where he began his railroad career in 1911 as a ticket clerk on the Pere Marquette (now part of the Chesapeake & Ohio). In 1912 he joined the Chicago & North Western at Chicago as ticket clerk and later the same year entered S. P. service as ticket agent at Chicago, becoming passenger agent there in 1919. He served successively as traveling passenger agent at New Orleans, La., city passenger agent and district passenger

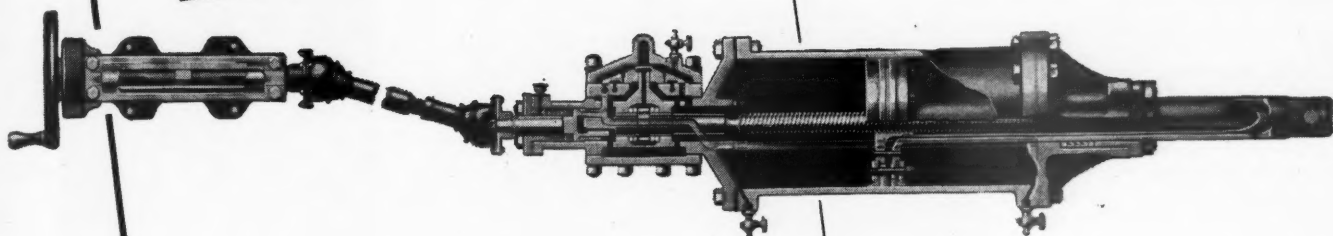


Hugh H. Gray

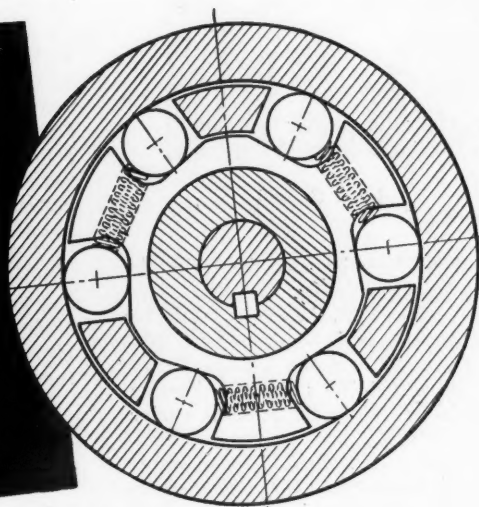
agent at Chicago, and as general agent at Kansas City, Mo., until 1924, when he returned to New Orleans as assistant general passenger agent. In 1927 he was transferred to New York as general agent, passenger department, and in 1930 was appointed general eastern passenger agent at that point. After serving as general passenger agent at New York from 1933 to 1942, and also as general passenger agent of the Texas & New Orleans and Southern Pacific of Mexico, Mr. Gray was promoted to passenger traffic manager of the S. P. at New York. In September, 1944, he was appointed

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general passenger agent at El Paso, which position he held at the time of his recent promotion.

The St. Paul, Minn., and Minneapolis agencies of the Erie have been combined, with headquarters at Rand Tower, Minneapolis. **C. R. Petry**, general agent at St. Paul, will continue to cover the St. Paul territory, having been appointed assistant general agent at Minneapolis.

E. T. Ayers has been appointed general agent of the Norfolk & Western at San Francisco, Cal., succeeding **A. Drahos**, who has retired as Pacific Coast agent at that point. The post formerly held by Mr. Drahos has been abolished.

Henry B. Ward has been appointed general agent of the Missouri Pacific Lines at Tulsa, Okla., succeeding **R. R. Trimble**, who has retired.

H. R. Chinn, assistant district passenger agent of the Southern Pacific at San Francisco, Cal., has been promoted to district passenger agent at that point, succeeding **A. P. Hardy**, whose promotion to assistant passenger traffic manager at Houston, Tex., was reported in the *Railway Age* of July 2.

J. M. Fields, vice-president—traffic of the Atlantic Coast Line, has been elected also traffic manager of the Columbia, Newberry & Laurens, with headquarters at Wilmington, N. C., succeeding the late **R. J. Doss**.

MECHANICAL

A. V. Nystrom, whose appointment as assistant to the general superintendent of motive power of the Chicago, Rock Island & Pacific at Chicago, was reported in the *Railway Age* of June 25, was born at Montreal, Que., on January 22, 1916,



A. V. Nystrom

and was graduated in mechanical engineering from Marquette University in 1940. He entered railroad service with the Chicago, Milwaukee, St. Paul & Pacific in June, 1934, as a machine shop helper at Milwaukee, and from 1936 to

1943 served successively as special apprentice, schedule inspector and freight car foreman at that point. He was subsequently appointed car foreman at Aberdeen, S. D., and in December, 1943, became general car foreman at Kansas City, Mo. After serving as assistant to superintendent, car department, at Milwaukee, he was transferred to Chicago in November, 1945, as district general car foreman, returning to Milwaukee two years later as assistant superintendent, locomotive and car departments. Mr. Nystrom became assistant to superintendent, car department, of the Milwaukee in January, 1949, which position he held immediately prior to his recent appointment with the Rock Island.

David C. Reid, mechanical assistant to the general manager of the Boston & Maine and the Maine Central, with headquarters at Boston, Mass., retired on July 16, after 44 years of continuous railroad service. Mr. Reid was born at Chicago on April 7, 1890, and entered railroad service in June, 1905, as a call boy on the Chicago Terminal, becoming a machinist apprentice the following year. He served in the latter capacity until 1910, when he went with the Elgin, Joliet & Eastern. From 1911 to 1912 Mr. Reid served with the Hub-



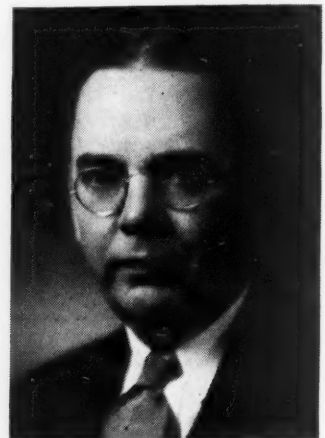
David C. Reid

hard Steel Foundry and then with the Goldschmidt Detinning Co. From 1913 to February, 1927, he served with the Chicago, Indiana & Southern (now New York Central) and the Indiana Harbor Belt as machinist, machinist foreman, enginehouse foreman, general enginehouse foreman, and master mechanic, successively. Mr. Reid became supervisor of locomotive maintenance of the B. & M. at Boston in February, 1927, and two years later was promoted to assistant chief mechanical officer, having supervision over all shops and enginehouses on the entire system. On July 1, 1932, he was again promoted to mechanical superintendent and in May, 1933, he was appointed general superintendent of motive power of both the Boston & Maine and the Maine Central, serving

in this position until November 15, 1948, at which time he became mechanical assistant to the general manager of both roads.

F. J. Smith, enginehouse foreman of the Atlantic Coast Line at Waycross, Ga., has been appointed acting master mechanic, with the same headquarters, having jurisdiction over the Waycross and Ocala districts, due to the illness of **W. R. Witherspoon, Sr.**, master mechanic.

Elmer A. Kuhn, superintendent of motive power, Pere Marquette district, of the Chesapeake & Ohio at Grand Rapids, Mich., who has been given also full jurisdiction over the mechanical department, as reported in the *Railway Age* of July 9, was born on May 2, 1897, at East Radford, Va. He was graduated



Elmer A. Kuhn

in 1920 from the University of Pittsburgh, after having entered railroad service in June, 1913, with the Toronto, Hamilton & Buffalo. He joined the New York, Chicago & St. Louis in June, 1920, as a machinist, and later held the positions of roundhouse foreman, special engineer and engineer motive power. In 1929 he was appointed assistant engineer motive power, advisory mechanical committee, of the C. & O., the Nickel Plate and the Pere Marquette (now C. & O.). In 1932 he was appointed master mechanic of the P. M. at St. Thomas, Ont., and in 1937 was transferred to Saginaw, Mich. Mr. Kuhn became superintendent of motive power at Grand Rapids in February, 1947.

ENGINEERING & SIGNALING

H. P. Morgan, supervisor of track on the Pittsburgh division of the Pennsylvania, at Cresson, Pa., has been promoted to assistant division engineer on special duty in the office of the chief engineer—system at Philadelphia.

John S. Knight, whose promotion to regional engineer of the Baltimore & Ohio Chicago Terminal, at Chicago, was

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reported in the *Railway Age* of June 18, graduated in engineering at Ohio State University in 1910. Prior to entering railroad service he was employed for a short time by the State of Ohio. He joined the Baltimore & Ohio in 1910 as



John S. Knight

a rodman, which post he held until 1915, when he was transferred to the B. & O. C. T. as assistant division engineer at Chicago. From 1918 to 1924, he worked in Baltimore, Md., but returned to Chicago in the latter year as principal assistant engineer in charge of construction on the Chicago River straightening

project. Mr. Knight was appointed assistant regional engineer in 1945, in which capacity he was serving at the time of his promotion.

Carl H. Vogt, whose appointment as assistant engineer maintenance of way of the Central of New Jersey at Jersey City, N. J., was previously reported in the *Railway Age*, was born on March 16, 1888, at Camden, N. J. Mr. Vogt received his civil engineering degree from Lehigh University in 1909 and entered railroad service in July of that year as a rodman with the New York Central at Jersey Shore, Pa. He was appointed assistant supervisor of track at Mahaffey, Pa., in August, 1912; assistant treatment engineer at Rome, N. Y., in January, 1914; bridge inspector at Jersey Shore in December, 1915; assistant division engineer at Jersey Shore in April, 1917, and supervisor of track at Rochester, N. Y., in January, 1923, all with the New York Central. Mr. Vogt joined the C. N. J. at Jersey City in January, 1930, as supervisor of track and was appointed assistant division engineer in July, 1941, and division engineer in April, 1945. He held the latter position until he became assistant engineer maintenance of way.

The jurisdiction of H. B. Barry, chief engineer of the St. Louis-San Francisco, with headquarters at Springfield, Mo., has been extended to include the mainte-

nance of way and structures department. E. L. Anderson, assistant chief engineer, maintenance, at Springfield, and B. H. Crosland, assistant chief engineer at that point, have been appointed assistant chief engineers, Eastern and Western districts, respectively, with the same headquarters.

J. R. Smith, whose retirement as superintendent of telegraph and signals of the Minneapolis, St. Paul & Sault Ste. Marie at Minneapolis, Minn., was reported in the *Railway Age* of June 11, was born on March 9, 1879, at Urbana, Ohio, and attended Vanderbilt University. He entered railroad service in August, 1900, with the Chesapeake & Ohio at Covington, Ky., and from 1906 to 1909, worked in the shops of the Louisville & Nashville at Louisville, Ky. He subsequently joined the Soo Line, performing electrical and car lighting work at St. Paul, Minn., and Minneapolis. Mr. Smith was transferred to the engineering department as signal supervisor in 1919, and advanced successively to signal engineer and superintendent of telegraph and signals.

PURCHASES & STORES

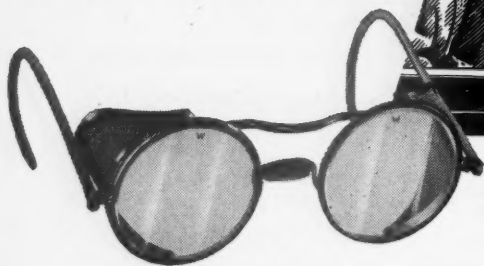
John Norbert Wandell, whose promotion to assistant general storekeeper of the Chicago, Milwaukee, St. Paul & Pacific, at Milwaukee, Wis., was reported in the *Railway Age* of June 25, was born on March 17, 1899, at Kaukauna, Wis., and was educated in the public schools of his home town and at Lawrence College, Appleton, Wis. He entered railroad service with the Milwaukee Road in the car department at Lewistown, Mont., in August, 1918, and subsequently worked in the freight office at that point. He was transferred to the stores department at Milwaukee in 1919 as a clerk and held the positions successively of clerk, stockman and chief clerk at Miles City, Mont., until 1925, when he returned to the general storekeeper's office at Milwaukee as bureau head in charge of materials for maintenance of way and budget projects. He was promoted to division storekeeper at Milwaukee in 1936, and appointed assistant district storekeeper there in 1942. After serving as chief clerk to the general storekeeper at Milwaukee from 1943 to 1946, Mr. Wandell became traveling storekeeper, with the same headquarters. He held the latter post until his recent promotion.

OBITUARY

Charles A. Wickersham, who served as president and general manager of the Atlanta & West Point and the Western of Alabama from 1900 until his retirement on April 15, 1947, died on July 12 at Atlanta, Ga., after a short illness, at the age of 86.

Thomas J. Pewters, general agent of the Minneapolis & St. Louis at Duluth, Minn., died on July 12 as the result of a heart attack, at the age of 31.

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